

FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW



JULY 1945

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Published quarterly by Council on Foreign Relations, Inc. Printed at 10 Ferry Street, Concord, N. H. Editorial and Business Offices, 58 East 68th Street, New York 21, N. Y. Cable address, Foraffairs, New York. Subscriptions, \$5.00 a year, post free to any address. The Editors will consider manuscripts submitted, but assume no responsibility regarding them.

VOL. 23, No. 4. Copyright 1945, Council on Foreign Relations, Inc. Printed in U. S. A.

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FOREIGN AFFAIRS

Vol. 23

JULY 1945

No. 4

AMERICA AT WAR

VICTORY IN EUROPE

By Hanson W. Baldwin

NAPOLEON'S remark that the "moral is to the physical as three to one" again received the affirmation of history in the spring of 1945 when German resistance collapsed suddenly and the war in Europe ended after five years and eight months of unprecedented struggle.

The exact date of the ending of the war against Germany may long be a matter of debate among historians. The first surrender agreement was signed at Reims, France, on May 7; this was "countersigned" in Berlin May 8-9, and all hostilities were scheduled to end 12:01 a.m. May 9. Actually some German troops were still fighting the Russians on May 13. But for all intents and purposes the war ended in April with the great American sweep to the Elbe and the Russian drive into Berlin. At that time, there seemed a real possibility that the German resistance in pockets throughout Europe from the Ægean Islands to Norway might be bitter and perhaps protracted; indeed, this was expected, for high SHAEF officials had told correspondents that the "campaign of the pockets" might continue throughout the summer. German fanaticism and will to fight had already extended the war — despite the hopelessness of the German position and the tremendous superiority of the Allies — long beyond the expected ending. In the spring of 1945, then, the Allies tended to be justifiably cautious in their predictions. But the sweep to the Elbe, the drive into Berlin, and, above all, the Nazi announcement of Adolf Hitler's death on May 1 snapped the thread of German morale. Wholesale surrenders were also touched off by the Nazi collapse in Italy. The "campaign of the pockets" was never fought.

The announcement of Hitler's death seems to have been

coupled with the assumption of power by the German military. But that did not end the power of the Nazi Party. The Nazi announcement was that Hitler had died in the Berlin Chancellery, then under attack by the Russians. Hitler probably is dead, though no proof of this may ever be available. We may never know how he died. All this is as expected, and contributes materially to the "Hitler myth," which — unless we are careful — may become part and parcel of German folk history. Hitler is not "dead" and will not be as long as his spirit roams the world.

At long last, therefore, another conqueror's attempt to dominate the entire Continent of Europe has been blocked, and the dangerous philosophy that the end justifies any means has again been invalidated by the indignation of the peoples of the earth. The war against Hitler was perhaps the most successful coalition war of modern times, and the coördination between the war efforts of the United States and the British Empire was better than in any previous great war by allies. Two tremendous factors operated to bring about Germany's defeat: British courage in adversity, when "the few" of the air turned back "the many"; and Russian manpower and the vastness of Russian distances. But the cornerstone of victory was the American machine. The mass industrial output of America provided the sinews of conflict for all the Allies. Without it victory would have been impossible and Germany's will to fight would never have been undermined and her armies defeated.

The war ended with Germany perhaps the most devastated and thoroughly beaten nation since Carthage. But it was a costly victory. The United States alone suffered more than 800,000 casualties, including more than 155,000 killed. Alone it spent between 150 and 200 billion dollars. And Europe, in the guise man had known it in modern times, was gone forever.

"Victory" is an unsatisfactory term so long as we are faced with the problems that the physical struggle left in its wake. They are gigantic, far more complex than those of battle. Politically and economically, morally and psychologically, Europe is a wasted land. Even that stark reality, however, is no guarantee that the ravening urge for dominion of men over other men has ended; even before the fires of war had died, there were disquieting signs in eastern Europe and in the Balkans that the "self-determination of peoples" might be merely a phrase. The rejoicing on V-E Day, therefore, was tempered throughout the United States by the awareness of the immense difficulties that

remain, by the fear of our people that the "Four Horsemen" may again ride through Europe, and particularly by the knowledge that there is still a war — tremendous in its dimensions — to be won in the Pacific.

II

The final defeat of Germany is seen in retrospect to have been clearly a product of the Allied invasion of western Europe. Whether Germany could have been defeated without that invasion is problematical; in any case the war would certainly have lasted far longer. The invasion in the west, the sweep across France, the drive to the Westwall, the attrition struggle along that fortified zone, the push to the Rhine, the drive across, and the capture of the Saar and the Ruhr stretched German resistance to the breaking-point.

The fruits of these operations were immense — about 2,100,000 German prisoners in the west from D-Day, June 6, 1944, until the end of fighting in the Ruhr pocket, April 19, 1945 — plus the unreckoned total of German killed, wounded and missing. In that period, too, the Allied advances were so important that Germany's strategical position became hopeless; she had been deprived of most of her industrial areas; she no longer possessed strategic barriers or a continuous line in the west; and our intensive bombings had crippled the mobility of the German Army and was bleeding the Third Reich white.

The direct antecedents of the final campaigns against Germany go back to the "Battle of the Bulge" in December and January, when in the bitter Ardennes winter the last great German blow in the west¹ was beaten back. We now know from the statements of the captured German commander at the time, Field Marshal von Rundstedt, that the Nazi objective was to relieve Allied pressure in the Cologne Plain area, and if possible to reach Liège and the line of the Meuse, thus disrupting many of the Allied supply lines through Belgium. This offensive failed in its maximum objective, but succeeded in its minimum one — to relieve the Cologne pressure and to win time. But the German successes, which were temporary, were immediately imperiled by the great Russian offensive of January, which swept from the Vistula to the Oder. The Germans drew some 20 divisions away from the western front to

¹ But a similar and perhaps even larger counteroffensive was launched by the Germans against the Russians in the Budapest area. It won considerable but incomplete successes. Later, another but abortive counteroffensive was launched around Vienna.

reënforce the east. At the same time, we belatedly strained every nerve to give our ground forces that ratio of superiority which is essential if battles are to be won. We sent to Europe at least two divisions that had been earmarked for the Pacific, and hurriedly built up the strength of our ground army in the west. The last new division to reach Europe entered the fighting only a month before the end.

The marked weakening of the German forces, the marked strengthening of our own, plus the better weather of February, March and April which permitted us to use our air superiority to the full, explain in some measure the rapidity of our final successes. But good leadership and flexible tactics, plus the skill and determination of the American Army, contributed materially to victory; the Army of Europe ended its career of blood and glory the best fighting machine the United States ever has sent abroad.

The final campaign in Germany was prefaced by the fighting in February west of the Rhine. The capture of the dams controlling the level of the Roer River by the First Army did not come in time to prevent flooding of that valley by the retreating Germans. As a result, the Ninth Army offensive across the Roer toward Düsseldorf and Muenchen-Gladbach, originally timed to coincide with the Canadian and British drive toward Cleve and Emmerich, had to be delayed until late February. When it started, however, on February 23, it went with a rush. The Ninth Army, despite the flood waters in the Roer, spanned that river rapidly and drove northwest to meet the British and Canadians coming down from the north. The junction was soon made, and by March 6 the Ninth Army — operating at the time as part of Field Marshal Sir Bernard L. Montgomery's Twenty-first Army Group — had reached the Rhine, except in the north, where German paratroopers tenaciously held a bridgehead on the west bank at Wesel.

Enemy casualties for this part of the operation alone totalled about 52,000 captured (for the Twenty-first Army Group) and an estimated 60,000 killed and wounded. Simultaneous with the Ninth Army's crossing of the Roer, the First American Army — "workhorse" of the American armies in Europe — drove eastward toward Cologne and Bonn. It then turned southeastward to join spearheads with the Third American Army, which had sent its "galloping" tanks of the famous 4th Armored Division on a deep drive from the captured road junction of Pruem into Coblenz.

Then occurred one of those historic incidents which, though it

did not change the course of the war, perhaps shortened it and surely lessened our casualties. The 9th Armored Division of the First Army reached a railroad bridge across the Rhine at Remagen after the Germans had damaged it but before they could destroy it. A platoon leader alive to his opportunities sent his men across and was quickly followed by other forces. On General of the Army Dwight D. Eisenhower's personal orders, Lieutenant-General Courtney Hodges of the First Army hurriedly pushed at least five divisions over the Rhine, and by March 24 we had a firm, deep and wide bridgehead on the east bank. The Remagen bridge subsequently collapsed from cumulative damage, but as Lieutenant-General Walter B. Smith, General Eisenhower's chief of staff, said, "It did not last long, but while it did it was worth its weight in gold."

While the First Army was developing and expanding its bridgehead and clearing out pockets along its front west of the Rhine, General George C. Patton's Third Army seized Coblenz and cleaned out German troops west of the Moselle River. It then crossed the Moselle at several points (two of the principal crossings were south of Coblenz and near Trier) and drove southeast toward Mannheim to cut off the Saar and the German forces defending it. At the same time, the Seventh American Army, Lieutenant-General Alexander Patch commanding, drove through the Westwall defenses in the Saar and acted as the anvil to the First Army's hammer. These converging operations badly mauled the German First and Seventh Armies, netted great bags of prisoners and equipment, and completed the rout of the enemy west of the Rhine. At the same time, the Wesel bridgehead in the north was wiped out by the Twenty-first Army Group after tough fighting, and by March 24, one month after the Roer crossing, all German positions west of the Rhine (except for a small bridgehead west of Karlsruhe) had been liquidated. A considerable number of German troops escaped to the east bank, however. When the effort to break across the river started on March 24, the Allies were faced by the remnants of perhaps seven German armies, among them the Twenty-fifth Army, First Parachute Army, Fifteenth Army, Fifth Panzer Army, Seventh Army, First Army and Nineteenth Army. But this was a more impressive list on paper than in action; we probably enjoyed a superiority in combat effectives of between two and three to one.

The great value of the Remagen bridgehead now showed itself. The strategical mobility of the German Army was greatly re-



duced, and at this period its tactical mobility was terrifically impaired by our well-planned interdiction bombing: it was exceedingly difficult for the Germans to shift what few reserves they had. The Remagen bridgehead had forced them to weaken their forces in the north, opposite Field Marshal Montgomery's Twenty-first Army Group, and they had built up a strong front on the east bank of the Rhine south of Cologne to protect the Ruhr. But instead of striking due north from the bridgehead through the heavily built-up areas of the Ruhr, the First Army struck south to connect up with the Third near Frankfurt-am-Main, and then east and north to encircle the Ruhr. The advance out of the Remagen bridgehead was accompanied by a general crossing of the Rhine along most of its length from Arnhem to Karlsruhe. The main effort originally had been scheduled for the favorable terrain of the Westphalian Plain in the north, where Field Marshal Montgomery's First Canadian and Second British Armies, reinforced by the Ninth American Army, had been expected to make the main Rhine crossing. The Germans correctly diagnosed this as a point of danger, but apparently did not expect — or did not have enough reserves to meet — the eastward lunge of the First Army and the crossing of the Rhine by the Third Army north of Mannheim.

The British crossings in the north, aided and eased by naval landing craft, and by troops of the U. S. 17th Airborne Division and British paratroopers of the First Allied Airborne Army who were landed in the enemy's rear *after* the ground troops had started their offensive, were made with remarkable ease. It soon became evident that the Rhine was too lightly defended, the German Army's mobility too greatly circumscribed, for the river to be made an effective barrier. By April 8 the battle of the Rhine was a memory; the American Ninth and the British Second in the north had crossed the Ems and the Weser Rivers; the Third had crossed the Weser in the south; the Seventh Army was past Wuerzburg; and the French First Army had crossed the Rhine north of Karlsruhe.

More important, the First Army and the Ninth Army had linked at Paderborn, so that the Ruhr, last of Germany's great industrial areas, was encircled. This, like the forging of the Remagen bridgehead, was a decisive stroke. General Smith called the Ruhr encirclement the "largest double envelopment of military history," and while this may be a slight exaggeration, it was certainly the greatest single pocket ever created by Amer-

ican troops. Some 317,000 Germans were captured by April 19, when the Ruhr pocket was finally wiped out, and the greater part of two to three German armies were destroyed. From then on, there was never a continuous front in the west: the fighting was fluid, a battle of "pockets" against isolated German elements, some dispirited, some fanatical.

The Ninth Army rejoined General Omar Bradley's Twelfth Army Group after the Ruhr encirclement. With the Ninth, First, Third and Fifteenth Armies ² under his command in the last phase of the war against Germany, General Bradley controlled the greatest field force ever led by an American general. The First and Ninth, after cleaning up the Ruhr, drove northeastward deep into Germany, while the British and Canadians turned to the north against the German ports. The Ninth reached the Elbe near Magdeburg on April 11, and pushed one bridgehead across the river north of the city. This bridgehead was smashed by a German counterattack, but another bridgehead was made good and was being developed when General Eisenhower ordered the Ninth and First Armies to halt along the Elbe and await the advancing Russians.

This decision probably was not made at the Yalta Conference, and may have been taken by General Eisenhower as a result of the field situation. The Russians had started a push from their Oder positions in late April, shortly before we reached the Elbe. They unquestionably wished the prestige of entering Berlin first. The communication lines of the First and Ninth Armies were extended and supplies were being delivered by air; only weak spearheads had crossed the Elbe, and the Germans had sizeable forces east of that river. Moreover, even though the supply difficulties could have been solved in a few days — considering the disorganized state of German resistance — a continued Allied push into the corridor between the Elbe and the Oder would have risked a head-on meeting with the Russians, mistakes in identifications of units, and possible casualties and incidents. And an Allied attempt to take Berlin from the west would have complicated the siege, for we have never had any coördinated command with the Russians. Probably it would have cost the Americans very heavily in casualties. This last factor doubtless was a governing one in General Eisenhower's decision.

² The Fifteenth Army, Lieutenant-General Leonard T. Gerow commanding, was activated only a short time before the final campaign and its exact part in that campaign has not yet been explained. The formation of this Army was announced only on March 9. The Fifteenth has been earmarked for the occupation of Germany.

Juncture with the Russians was made near Torgau by units of the First American Army on April 25, to the accompaniment of much vodka drinking and wassail, and Germany was split in half. Meanwhile, the Third American Army, which captured Frankfurt after crossing the Rhine and formed a juncture with the right flank of the First, pushed to the northeast toward Kassel and Erfurt. It reached the border of Czechoslovakia on April 18; then this powerful army swung abruptly 90 degrees to the southeast and joined the American Seventh — which had been fighting through Nuremberg against bitter resistance — and the French First, in a drive to smash the German southern citadel.

How long the Germans in this region, as well as those in Norway and in other pockets throughout Europe, could have held out we shall never know. For from April 21 on, when the Russians first entered Berlin, events moved fast. The Russians had captured Vienna on April 13, and our great victories in the west had paved the way for the final curtain. The collapse started in Italy. On May 2 the Allied High Command there announced the unconditional surrender — signed April 29, after a long period of negotiations — of all Nazi and Italian Fascist forces in Italy. The capitulation followed a blitz campaign of less than a month, in which the weary veterans of the Apennines came down at last out of the mountains into the “promised land” of the Po Valley and swept on northward to the Alps. The surrender in Italy exposed the southern flank of the so-called Nazi redoubt.

But even before the surrender was announced more important events had occurred. The death of Adolf Hitler in Berlin was broadcast by the Nazi radio on May 1, and Grand Admiral Karl Doenitz, plainly named to execute the capitulation, took over. Every soldier of the Third Reich had been sworn to personal loyalty to Hitler, and the whole Army was “inspired” by one man as few armies have been since Napoleon’s Grand Army. Hitler’s disappearance released the German troops from the oath of fealty; the house of cards collapsed. While negotiations with the Doenitz régime went on, forces in the field surrendered piecemeal in the west — first the Germans in northern Germany and Denmark, then those in Holland, then those in southern Germany and Austria. The end came in the dark of the morning at Reims: one of the German representatives wept, but another — Colonel-General Jodl, haughty to the last — demanded that the German people be treated “with generosity.”

So the curtain fell in Europe on the greatest tragedy in the

history of that old and weary Continent. As it fell, the spotlight of history was playing upon some 67 American divisions, the greatest army ever sent across any sea. Here is the battle order of the American ground forces that won victory in Europe, according to the data now available:

WESTERN EUROPE

Army Groups

Twelfth General Omar N. Bradley
Sixth General Jacob L. Devers

Armies

First General Courtney H. Hodges
Third General George S. Patton, Jr.
Seventh Lieutenant-General Alexander M. Patch, Jr.
Ninth Lieutenant-General William H. Simpson
Fifteenth Lieutenant-General Leonard T. Gerow
First Allied Airborne
(largely U.S.) Lieutenant-General Lewis H. Brereton

Corps

Third Major-General James A. Van Fleet
Fifth Major-General Clarence R. Huebner
Sixth Major-General Edward H. Brooks
Seventh Lieutenant-General J. Lawton Collins
Eighth Major-General Troy H. Middleton
Twelfth Major-General Manton S. Eddy³
Thirteenth Major-General Alvan C. Gillem, Jr.
Fifteenth Lieutenant-General Wade H. Haislip
Sixteenth Major-General Hugh J. Gaffey
Eighteenth
Airborne Major-General Matthew B. Ridgway
Nineteenth Major-General Raymond S. McLain
Twentieth Lieutenant-General Walton H. Walker
Twenty-first Major-General Frank W. Milburn

Armored Divisions

2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th,
14th and 20th

³ Relieved because of ill health shortly before the end of the war in Europe.

Airborne Divisions

17th, 82nd and 101st

Infantry Divisions

1st, 2nd, 3rd, 4th, 5th, 7th, 8th, 9th, 26th, 28th, 29th, 30th, 35th, 36th, 42nd, 44th, 45th, 63rd, 65th, 66th, 69th, 70th, 71st, 75th, 76th, 78th, 79th, 80th, 83rd, 84th, 86th, 87th, 89th, 90th, 94th, 95th, 97th, 99th, 100th, 102nd, 103rd, 104th and 106th

ITALY

Army Group

Fifteenth General Mark W. Clark

Armies

Fifth Lieutenant-General Lucian Truscott, Jr.

Army Corps

Second Lieutenant-General Geoffrey Keyes

Fourth Major-General Willis D. Crittenger

Armored Divisions

1st

Infantry Divisions

10th (Mountain), 34th, 85th, 88th, 91st and 92nd

III

No reference to the end of the war in Europe would be complete without a tribute to the magnificent men of the Eighth and Ninth Air Forces in western Europe and of the Twelfth and Fifteenth in the Mediterranean. These men played a major part in the victory. American air power alone could not defeat Germany, but without it victory either would have been impossible or far more costly. Air power crippled the strategic mobility of the German Army. In decisive stages of the ground campaign — notably the Rhine crossings — it tremendously hampered German tactical mobility, greatly curtailed the enemy's supply of oil, cut down the supply of ball bearings, reduced the supply of munitions, forced the shift of the bulk of the German Air Force from Russia to the west (thus relieving Russia) and later eliminated the German Air Force as a major factor in the war. Air power prevented the German V-weapons from achieving definitive success, wrecked

German communications so that distribution of anything at all became a problem, forced the Germans to earmark perhaps 2,000,000 men for defense against air attack, and clamped an "internal blockade" upon the Reich which added tremendously to manpower shortages and to the unbearable strain of attrition war.

The direct damage done to enemy communications is perhaps the most impressive achievement of Allied air power, though a study of the evidence in all fields will have to be made before final conclusions can be reached. The isolation of the Ruhr is an example of the tremendous effectiveness of air power against communications: bombing smashed the canal-river system connecting the Ruhr with central Germany, destroyed 16 out of 18 railway viaducts and bridges, and blocked 20 out of 25 freight yards serving the area.

The strategic bombing campaign, as such, ended before the German surrender. The Allied ground armies had compressed the German armies to such an extent that in the last days of the war the major efforts of the Allied Air Forces were concentrated against German communications and against Germany's ground strength. The jet planes of the enemy, which appeared in the skies over Europe long before ours were ready, were the final German threat to our supremacy in the air. The threat failed because the jet planes did not get into action in volume: fuel was scarce, pilots were few and ill-trained, the factories producing the jet planes were repeatedly bombed, and airfields and experimental grounds were made virtually unusable.

The coup de grâce was delivered to the German Air Force in late March and early April when German planes were crowded into the few remaining serviceable fields in central Germany, without adequate warning systems, short of fuel, short of everything. In eight days ending April 18, almost 2,000 of these "refugee" planes were destroyed on the ground by Eighth Air Force fighters alone — a slaughter unparalleled in aerial war. The comments of Field Marshal von Rundstedt and other captured German generals as to the primary importance of air power in the Allied victory testify to the skill of the brave men who won the European skies. The statistics of the air war against Germany are staggering. For every ton of explosive hurled on Britain — by plane or V-weapon — the Germans received 315 tons in return. From the beginning of the war to May 1, 1945, American and British planes combined dropped 2,453,595 tons of explo-

sives on Germany and German-occupied targets in other European countries. American planes operating from Britain, Mediterranean bases and the Continent dropped 1,453,595 tons. Some 8,001, about half the total Allied (British and American) bombers sent into action, were lost, as were 7,165 U. S. fighters. The German Air Force lost an estimated 20,574 planes in the air and 12,337 more on the ground to the American Air Force. Nearly 5,000 of these were destroyed in the clean-up month of April.

Here is a battle order of the principal units of the American Air Forces in Europe on V-E Day:

Air Forces

Eighth . . (England) Lieutenant-General James H. Doolittle
Ninth . . (Continent) Lieutenant-General Hoyt S. Vandenberg
Twelfth . (Italy) Major-General Benjamin W. Chidlaw
Fifteenth . (Italy) Major-General Nathan F. Twining

IV

And now Japan!

In the excitement of the victory in Europe Americans are apt to forget that the hardest task of logistics and the stiffest problem of morale in our history — redeployment to the Pacific for the war against Japan — still lie ahead of us. That redeployment started on a small scale even before the fighting ended in Europe; within a few weeks it will swell in volume until it becomes the greatest overseas transport movement ever made. Under the plans now prevailing (but subject to some change), the Army will be reduced in overall size by about 1,300,000 men during the next year. The Navy and Marine Corps will retain their present strength during the war against Japan. The Fifteenth Army and an Air Force — from 450,000 to 1,000,000 men — will remain in Europe to occupy southern Germany, part of Austria and, for the time being, the Saar, the Rhine Valley and the western part of the Ruhr; the rest of the American forces will be sent to the Pacific or used in this country to back up the Pacific war. Marseille, Havre, Cherbourg and Antwerp will be the ports of embarkation in Europe; the American occupying forces in Germany eventually will be supplied through Bremen and Bremerhaven. The Philippines, Hawaii, the Marianas, Okinawa, India, Burma and perhaps eventually China will be the staging and disembarkation areas in the Pacific. The combat forces that fought in Europe will receive instruction pointed specifically against Japanese

tactics and methods, in this country or in the Pacific, or both.

As this vast array of military might is being brought to bear, Japan has already lost the war in the Pacific, though we have not yet won it. Japanese cities are being devastated by American fire bombs; Japanese plane production has been reduced by American bombing; Japanese shipping is a fraction of its prewar total; and in Okinawa and Iwo Jima we are camped on Japan's doorstep. The Japanese Navy and the Japanese Air Force, though still capable of hard fighting, have been checkmated, and the close blockade of Japan is starting. But we have not yet encountered the full strength of the Japanese Army. The Pacific enemy is a fanatical, crafty foe, still possessed of large military potential and still willing to die. If he chooses to fight to the end he can make the Pacific war a long and terrible struggle.

v

Since the conquest of Iwo Jima in March — the hardest-won and perhaps the most gallant victory in the history of the Marine Corps — the chief event in the Pacific has been the invasion of Okinawa in the strategic Ryukyus. These islands, administered as part of the Japanese homeland, form natural steppingstones from Kyushu to Formosa, and close off entry by sea to the coast of China. The invasion of the island of Okinawa, largest of the Ryukyus and only some 325 miles from the southernmost main island of Japan — Kyushu — was preceded on March 26 by invasion of the Kerama group, near Okinawa. The 77th Division, Major-General Andrew D. Bruce commanding, performed this operation with but little opposition.

The Kerama and Okinawa invasions — the latter starting on April 1 — were conducted by the newly-announced Tenth U. S. Army, Lieutenant-General Simon Bolivar Buckner, Jr., commanding. It consists of one Army Corps, the Twenty-fourth, under Major-General John R. Hodge, and one Marine Corps, the Third Amphibious, under Major-General Roy S. Geiger. The Army Corps, with an extra division, consisted of the 7th, 27th, 96th and 77th Divisions; and the Marine Corps consisted of the 1st, 2nd and 6th Marine Divisions. Admiral Raymond A. Spruance, commanding the Fifth Fleet, with Vice Admiral Richmond Kelly Turner as amphibious commander, were in overall charge of the whole operation, under Admiral Chester W. Nimitz.

The initial landing on Okinawa was virtually unopposed, and

the three Marine divisions turned north from the beachhead near Yontan and quickly cleaned up the entire northern part of the island. The Army divisions faced to the south, and after driving the Japanese back for some distance came up against the main Japanese line of defense, covering the cities of Naha — the island's capital — Shuri and Yonabaru. There followed week after week of costly and relentless fighting, in which the gains were measured by yards. In early May two Marine divisions joined two Army divisions in line, and by May 14 the Marines on the western flank had pushed into the outskirts of Naha. Bitter fighting against the remnants of a Japanese garrison originally estimated at 50,000 to 100,000⁴ was still going on as these lines are written, but Okinawa, strategically, is ours. A route of entry to the China coast has been forced; Japan will soon be subject to great air attacks from Okinawa's potentially capacious airfields; and Formosa has been neutralized and by-passed. More important, as events in early May showed, the invasion of Okinawa marked the beginning of a close air, sea and sub-sea blockade of Japan. The vital sea routes across the Straits of Tsushima and Korea were attacked repeatedly by American planes. And all Japanese sea routes to the south were now virtually severed.

Iwo Jima has been developed as a staging base for B-29's and for long-range fighter planes which now accompany the big bombers on their raids over Japan. These attacks — particularly the low-level fire raids — have risen to very major and damaging proportions: an attack on Nagoya on May 13 was made by 500 B-29's. Repeated carrier raids by 700 to 1,000 American planes were made on the Inland Sea area, Tokyo and Kyushu, during the spring months. In April the second of Japan's new battleships, the *Yamato*, and many accompanying lighter units, were sunk by carrier planes off Kyushu. Another important event of the period was the appointment of Admiral Nimitz and General MacArthur as joint commanders for the war against Japan.

Further south, the Philippine campaign was pressed during March, April and May to a relentless conclusion. After the successful invasion of Luzon and the conquest of Luzon's central plain, the outcome of the Philippine campaign was certain. The mop-up on Luzon, particularly in the north around Baguio, and at Balete Pass and Ipo, was difficult; and at the time of writing a large Japanese concentration in the Cagayan Valley is still

⁴ Japanese casualties on Okinawa from April 1 to May 17 were 48,103 dead; American casualties, both Army and Navy, were 30,526, including 8,310 killed.

fighting strongly. But the conquest of the Visayas was rapid, and virtually all the islands have been overrun except Mindanao.

Tarakan, off Borneo, was invaded by the Australians, aided by some Dutch contingents and with American naval and air support, on May 1. And in Burma, the British Fourteenth Army and other contingents virtually completed the conquest of Burma, capturing Rangoon on May 3. The American Mars Task Force, only American ground combat troops in Burma, had no part in the final phase of the fighting south of Meiktila. Apparently these troops, and the Chinese forces with whom they worked in north Burma, have been transferred to China, where they may be heard from in the near future. However, American air power played a major rôle in Burma throughout the campaign, and the combat cargo and troop carrier commands of the Tenth Air Force (not to be confused with the Air Transport Command) wrote military history in supplying the British Army almost entirely by air in the last stages of its operations in Burma.

China was still a divided country, but behind the scenes the combat strength of the Americans and Chinese was growing. The fighting ahead will be hard. The high number of our casualties on Okinawa, and the yard-by-yard advance, suggest the nature of the task. Moreover, the Japanese suicide-plane attacks on our shipping did heavy damage during the Okinawa campaign, sinking numerous light vessels. Since the invasion of the Philippines our toll of damaged ships has been higher than in any period of comparable length in the Pacific war.

The defeat of Germany spells the eventual doom of Japan. Yet it is well at this hour to stress the word "eventual." It is quite probable that Japan will attempt to negotiate a peace. She will not do so immediately, but will wait until she feels that the effects of the letdown of morale in America, incident to the ending of the European war, have reached their peak and that we are ready to accept terms that will leave her in possession of some of the fruits of aggression. If the Japanese choose to make a last-ditch defense, and can hold to the decision, they can protract the war in the Pacific for many years. We can best turn them from such a course by making plain that the United States will carry on the attack with resolute determination, and that such a last-ditch defense is not only militarily hopeless but means total ruin for Japan. The duration of the Japanese war depends fundamentally upon the unity and morale of the people of the United States.

LIBERATED EUROPE

THE ECONOMIC INEXORABLES

By a British Official

IN a passage on the commercial policy of Alexander Hamilton, the late F. S. Oliver, that profound and original modern political philosopher, remarks that Hamilton was out of sympathy with the economists — particularly the orthodox French economists of his time. Hamilton, he says, “disbelieved in economic man — a being without bowels, with an interior like a clock, accurately ticking the progress of the human race under the impulse of the magic spring of enlightened self-interest, and never needing to be wound or regulated. The besetting sin of the economists was their preference for argument over observation. They based their reasoning upon axioms when they should have gone to the facts. At each stage they became more and more the victims of words that did not correspond with realities, of syllogisms that under analysis were little more than arrangements of phrases.”

Today, once again, the newspapers are full of phrases and the commentators and economists in catchpenny slogans pronounce upon the necessity of free governments freely elected and of a “more abundant life” and “full employment,” and little is spared us except the facts. But these, like other necessities of life, are in very short supply.

The purpose of this article is prosaic and limited. It is, in a short compass and by the frequent use of examples, to try to state some of the facts which, inevitably, influence the policies and political behavior of some of the governments of the liberated and conquered countries of Europe. Before this is attempted, however, it may perhaps be of value to make a start some little way back and, in considering the present, to take account of the past, and view the accident of the rise and fall of Hitler against other similar cataclysms.

In A.D. 632, Mohammed died, and in the 150 years which followed, the Roman world — the world — collapsed. In that space of time, the Moslems conquered the Persian Empire and, in turn, the Provinces of the Byzantine Empire — Syria, Egypt, Africa, Spain. The tide of conquest finally was turned back by Charles Martel at Poitiers, exactly 100 years after Mohammed's

death. Christianity, which had covered the littoral of the whole Mediterranean, was left clinging precariously to its northern shores, and the highway — the grand trunk road of the world's commerce — passed into Moslem control so absolutely that eastern Europe was cut off from western Europe and the Christian states of the west became a world apart, able to count on their own resources alone.

Driven from the Mediterranean, the Frankish Kingdom turned north and east and broke onto the shores of the North Sea and across the Rhine to the unexplored and undeveloped "frontier" of Germany. A new Europe under Charlemagne followed, and this Europe was unlike the old. The towns having become depopulated for lack of seaborne trade, and the finances of the state having shrunk for the same reason, there was virtually no state budget — none at any rate of the sort known to Byzantium and to the Empire of the Caliph; their economies were still monetary economies with a centralized treasury which paid for the upkeep of public works and paid for the army and navy and the large civil service. Now instead of a money economy there was only one form of wealth: land and labor. The great domain of the Middle Ages was created in which the idea of "profit" was wholly unknown; and an "economy without outlets" was born.

The political and economic consequences of the Moslem invasions are so clearly described by a well-known Belgian historian, Henri Pirenne, that the lesson which he draws from them should not be wasted upon us today:

An unforeseen event is always followed by a catastrophe in proportion to its importance. It flings itself, so to speak, across the current of historic life, interrupting the series of causes and effects of which this current is constituted, damming them up in some sort and by their unexpected repercussions overturning the natural order of things. This was what happened at the time of the Moslem invasions. For centuries Europe had gravitated about the Mediterranean. . . . Now, under the impact of Islam, this unity was shattered. . . . East and West were suddenly separated. The community in which they had lived so long was destroyed for centuries to come and even today Europe is still suffering from the consequences of its destruction.

We live today in a world where are occurring events which, in some respects, can be likened to the Moslem invasion. In the pages of recorded time, Hitler will rank as a man who changed history. But the extent to which he permanently changed history lies largely with us — with the United States, the United Kingdom and their allies.

II

We must understand the proportions of the problem in the liberated and conquered countries of Europe before we can describe constituent elements.

At issue are the economic and social habits, and therefore the political life, of some 180,000,000 people,¹ a population four-and-one-half times the size of that of the United Kingdom, approximately equal to the combined populations of the United States, Canada and Mexico. The peoples of these countries have, to a greater or lesser degree, developed modern exchange economies in which their life depends in a literal sense, as did that of the Roman Empire, on transportation, import and export, purchase and sale, credit and banking. The economies of France, Belgium and Holland in particular have the same general characteristics as those of the United Kingdom and the United States, and the continuous processes, the blood stream of their economic life, cannot be interfered with or interrupted for long without paralysis, unemployment, destitution, political distempers and the creation of conditions of unstable and undemocratic government.

How did these countries trade and have their being before 1939? By imports. All imported large quantities of raw materials and foodstuffs from overseas, and the amounts involved were very large. Annually, France imported from overseas about 50,000,000 tons, Belgium 30,000,000, Holland 20,000,000, Denmark 10,000,000, Italy 20,000,000, Poland 3,000,000, Czechoslovakia 5,000,000 and Yugoslavia 3,000,000. Their total annual imports came to about 141,000,000 tons, or nearly one ton per person per year. These figures compare with imports into the United States of some 16,000,000 to 20,000,000 tons per year, or about one-eighth to one-seventh of a ton per person.

Moreover, these imports, together with those of the United Kingdom and Germany were the exports of the primary producing countries of the world — Australia, New Zealand, Latin America, Africa, the East Indies and North America. Thus these exports largely produced the foreign exchange by which the economies of the primary producers were fed with manufactured goods, a large part of which were obtained not from Europe but by converting the currencies of Europe into dollars.

The reverse side of this picture was the export trade of these

¹ The populations of Germany and Austria are not included in this figure.

European countries with the Oceanic, Atlantic and Pacific worlds. It is too often supposed that they were, so to speak, always "in the red." The margin between exports and imports was often much smaller than is commonly supposed. Exports very largely paid for imports, and loans and gold movements were frequently far less important than the "invisibles" of tourist, shipping and investment earnings.

III

During the war, a great change came over the trading habits of Europe. Though this change was fundamental it cannot yet be documented. The facts, if they are known in full, are known only to those who directed the "New Order" from Berlin and gave the instructions whereby the imports received by the conquered countries on the periphery of Europe were put in motion. The essential point is simple, however, and needs no statistical underwriting. There was a New Order, and it worked. The German talent for organization was never seen to better advantage. There was a production plan for Europe, controlled in the center and developed solely to meet the military and political purposes of the Greater Reich.

The German High Command faced the now familiar problems of developing the largest possible war production of the weapons they wanted, of conserving their manpower, of employing as few garrison troops as they could, and of obtaining and distributing the foodstuffs they required. They were very successful. Under their management Europe largely defied the blockade, largely became self-sufficient, and for four years provided the Reich with an army equipped with weapons second to none.

In the process, the Germans changed the economic life of Europe as completely as did the Moslems 1,200 years earlier. Moreover, most of the countries did not lack for employment — and, economically, the standard of life of the western European nations was fixed at a tolerable level. Indeed, the degree to which Germany sustained some countries was remarkable. Thus, France received imports on the order of 7,000,000 tons a year, Belgium on the order of 5,000,000, and coal shipments by rail to Italy ran at the high figure of 1,000,000 tons a month for long periods.

Everything, of course, was subordinated to the purposes of the German High Command and rested upon force. But the fact remains that the whole economy of Europe was poured into a new mold which fitted very exactly the purposes for which it was

made. And, unlike the "Continental System" of Napoleon, the New Order of Hitler worked.

IV

What is the position today in the countries which have been liberated by Anglo-American force of arms? As usual, it is dangerous to generalize. Conditions vary from country to country and in some are still in large measure unknown. Nevertheless, in all countries in which there is a combined Anglo-American military responsibility some features recur and should be touched on before the general pattern is embroidered in more detail. This article attempts a survey in detail only of France, Belgium and Italy. Were it possible, it would be profitable and illuminating to attempt a "close up" not only of those countries, but of Yugoslavia and Albania also. But since it is not, France and Belgium must serve as an example of what is happening, and is likely to happen, in the Allied countries of the west; while Italy serves as an example of the fate of a former satellite Power.

One caveat must first be entered, however. Hard and difficult as the life of France and Belgium has been since liberation, and is today, it is as nothing to that of western Holland, whose people have undergone hardships greater even than those visited upon them in the Spanish wars.

The common factors, the "normal" consequences of liberation, are these:

A breakdown of the New Order, coupled with a complete cessation of imports from Germany, and of raw material imports from any source.

Cessation of movement or communication of any kind, since bridges, tunnels and railway lines were destroyed by the Allied Armies or by the Germans.

Each country, therefore, thrown at once onto its own resources; factories running on accumulated stocks, and gradually ceasing to run at all as some part of these became exhausted; gradual but growing unemployment.

Monetary troubles of some sort, due largely to the difficulty of tax collection, to increasing scarcity of consumer goods, to the highly inflationary effect of the presence of large Allied Armies with almost unlimited spending power in the direct interest of the war, and very large incidental private expenditures on the part of individual Allied soldiers.

A shortage of all forms of power and light and heat.

A shortage of food, a large black market and higher food prices.

A destruction of port handling and reception capacity.

An inability to purchase overseas except against gold holdings, foreign exchange reserves, or by commercial loans.

Above all, the absence of the conditions which would permit any government of any shade, color or character to make any economic plans at all since (at any rate in the earlier stages of Allied occupation) power lay not with them but with the Allied Commander-in-Chief.

v

If France is studied in the light of these general factors, an outline of the state of things there will quickly begin to take shape. France averaged 50,000,000 tons of imports per year before the war. She averaged 7,000,000 tons of imports per year under the Germans. Because of a lack of port capacity for other than direct military supplies, she received from D-Day to January 1, 1945, only a small percentage of the latter figure. Belgium was in a similar position.

To get the feel of this, imagine what would happen to the economic, social and political life of the various states of the United States east of the Alleghenies — which correspond roughly in population to France and Belgium — if, after four years of enemy occupation during which vital imports had been running at 20 percent of the 1935 level, liberation occurred, and as its immediate consequence all communication broke down completely and vital imports fell to a very small percentage of the level maintained by the enemy. Add to this an Allied Army of Occupation talking another strange language; severe war damage; inadequate and very expensive food; an exceptionally hard winter; insufficient coal; no transport; and growing unemployment — and there begins to emerge a picture of the problems which the French Provisional Government faces today.

France needs more transport, coal, raw materials, fertilizers and a better diet. In December last, the French estimated that, with the exception of Bordeaux, the intake capacity of their great ports had been largely destroyed. They estimated that of 19 marshalling yards, 15 had been destroyed; and that of 16,000 locomotives, only 6,000 were effective, of which a high proportion had been imported by the Allied Armies. In 1939, they had 450,000 freight cars. As the war ended, all freight cars in France, Belgium and liberated Holland were pooled; there were only

some 200,000 of them and on these the military still have a first claim. Before the war, there were some 500,000 motor trucks in France. Today, only some 125,000 are usable and most of them are more than ten years old.

In such circumstances, it is impossible for the French Government to put the resources of France to fully effective use. For instance, the 1944-1945 sugar beet crop should, in present circumstances, yield 600,000 tons (the prewar total was some 900,000 tons). However, to process this year's crop, 500,000 tons of coal were needed. This amount was not available, so only some 300,000 tons of beet sugar will be produced. The French are, therefore, including substantial amounts of sugar in their import program; and this at a moment when the world sugar position is critically tight.

Of the 80,000,000 tons of coal which France consumed annually before the war, about 20,000,000 tons came from overseas imports. Today, France is producing at the rate of about 22,000,000 tons a year, a little more than one-third of her prewar production, but she cannot distribute it. In all forms of agricultural and industrial life in France, there is, therefore, a vicious circle. For example, more coal cannot be produced for lack of freight cars to carry it from pithead and more freight cars cannot be produced for lack of coal. Without coal, of course, many other manufactures cannot be made. In December 1944, therefore, industrial production had fallen to one-quarter of what it had been under German occupation, nor has it risen very substantially since.

Of France's 50,000,000 tons of prewar imports, coal and oil accounted for nearly 30,000,000 tons. But the following imports were also significant, since their absence vitally affects the economic blood stream of the country.

<i>French Prewar Imports</i>	<i>In tons</i>
Manganese ore	500,000
Copper	120,000
Lead	120,000
Zinc ore and metal	180,000
Sulphur	250,000
Phosphate rock	1,000,000
Raw wool	100,000
Raw cotton	280,000
Raw jute	100,000
	2,650,000

For good and substantial reasons, virtually none of these raw materials has been brought in by the military and a small trickle is only now beginning to flow to France in her supplementary "National Import Program." Meanwhile, the relatively highly industrialized economy of France is in danger of running down from lack of sustenance. This is a somber fact. We would do well to keep it in mind if we should — on other grounds and for other reasons — see fit to criticize the French Provisional Government. Political bricks cannot be made without economic straw.

In one respect, France is fortunate. Unlike the United Kingdom, she retains the greater part of her former holdings of gold and foreign exchange balances. She has also been the beneficiary of a Lend-Lease Agreement for 2.5 billion dollars, of which some \$900,000,000, on loan terms, can be applied to longer term reconstruction. Since her imports in 1938 cost on the order of one billion dollars, France has a good chance, if she can obtain the imports with which to pay her way, of quickly becoming once again a going concern. The question is, can she get these imports?

VI

All the factors already mentioned as applicable to nearly all countries apply with exaggerated force to Italy south of Bologna. For many months Italy was divided into three parts — Italian Government Italy, Allied Military Government Italy and German-occupied Italy. Because of this, it is impossible to present a picture of conditions in Italy in terms comparable to those used for France. We do not know, in terms of tons of imports, what the Germans made available. Recently, however, it cannot have been very much, since for some time the volume of traffic through Switzerland has been small.

Before the war, Italy imported some 20 million tons a year, of which coal and oil products amounted to about 13 million tons. Since the landings in Sicily in 1943, Allied-occupied Italy has received imports amounting to about 8 percent of what she would have received in a similar period before the war, mostly in the form of coal and wheat. We must presume that, for political reasons and because they could get a direct contribution to their war effort from the industrial north, the German High Command decided to make a special effort to keep unemployment down and some selected plants going, and that therefore they pursued as liberal an import policy toward Italy as their strained transport facilities would permit. It might be assumed, then, that the Ger-

mans succeeded in equalling these amounts. On this hypothesis, Italy might have received in the 22 months following the landings in Sicily perhaps 16 percent of her prewar normal imports. However, the facts about German imports are so little known that the true position may be very much worse than this. It therefore is more profitable to turn to that part of Italy where the facts are better known and to see what they disclose.

The picture is discouraging. The economic life of the country as it existed before the war has been changed, and normal internal channels of trade have ceased to exist. The physical destruction of roads, bridges, telephones and railways, and the operation by military authorities for their own purposes of such as remain, have enforced a way of life in the country districts not dissimilar to that of the eighteenth century. That trade is able to take place at all, given the difficulty of communication, is a tribute to the sturdiness of the Italian spirit of private enterprise, for which, of course, the black market offers the largest profits.

Sicily, Sardinia and the far south are relatively intact. The south-central region contains areas of more or less total destruction. Cassino, Velletri and Pescara are destroyed, for example, and their habitants gone. There is little destruction in Rome Province, and none in Rome itself. Further north the damage begins again: Rimini and other towns are badly damaged, and in the final assault the devastation in this region was increased. In many areas also, mines in large numbers are in the ground and constitute a serious deterrent to agricultural and pastoral production.

Many roads have been repaired and many bridges rebuilt by the Allied Armies and by the Italians; but priority has had to be given to those essential to military movement, with the result that often only the main roads and railway lines have been restored. Till the fall of Genoa, Naples was the only important port in Allied hands, which meant that the flow of traffic by road or rail was northward from Naples full, southward to Naples more or less empty.

Motor transport is very scarce. Before the war some 125,000 trucks were in commission. Today, only some 6,000 to 7,000 Italian vehicles complainingly travel the roads. It is the same with the railways. Passenger and freight rolling stock is equally scarce; and the trains moving in this part of Italy are largely drawn by locomotives imported by the Allies. Nor do the railways reach all of the big towns. Nearly everything that moves by

rail travels from Naples over the two rebuilt single-track lines to Rome, thence north to railhead, whence it is mainly distributed by truck.

In these circumstances, there is little passenger movement by rail. Only some three passenger trains a week run from Naples to Rome. Passenger traffic by road is therefore highly remunerative and probably takes up 50 percent of the reduced truck space. The exchange of food and raw materials produced locally is in consequence greatly reduced. In short, a lack of transport entirely dominates and determines military and civilian life in Italy, and inevitably it will continue so to do.

In this part of Italy power is almost more scarce. As is well known, the principal source of Italian manufacturing power came from large hydroelectric stations. A grid system covered the country and power flowed from the north to the south. Wherever the Germans could — meaning if they had time, or if the R.A.F. or the American Air Forces had not already done it for them — they systematically destroyed all hydroelectric stations and dynamited mile upon mile of transmission towers. In the south, 60 percent of the kilowatt capacity was destroyed. In the center (Naples to Pisa) the destruction was even more serious, and only some 10 percent of the kilowatt capacity was left. By the time these words appear in print there is hope that local repairs will restore capacity to about 25 percent. But it should be noted that in November the then existing kilowatt capacity more than sufficed to meet Allied military workshop demands (which were considerable) to light Rome, run its tramways and leave a balance which was about equal to what Italian factories in that area could use. The factories are badly depleted of small dynamos (taken away by the Germans in truck loads), industrial belting and other small but necessary moving parts without which no plant can run.

Even this, however, is not the whole story. Northern Italy produced the greater part of the hydroelectric power of the country. At the time of writing, it is impossible to tell whether the Germans succeeded in blowing the generators and dams of the hydroelectric stations in Piedmont, Liguria and Lombardy. If they did, Italy might be left without sufficient motive power with which to run her factories and, as will be seen in a moment from the statement of Italy's balance of payments position, this would be serious indeed.

In Sicily, Sardinia and the south there is no starvation. In Tuscany conditions are worse; everything there depends upon

imported military wheat and flour reaching the big towns — Florence, Pisa, Pistoia and Lucca. The shipments, moreover, have mostly to be taken in by truck. Imported bread is the keystone of Italy's sickly economy. If wheat and flour imports were to stop, there would at once be a breakdown in Italy's economic life. Wages, costs, the internal value of the lira, life itself depend upon a continuance of the ration of 250 to 300 grams per day of imported bread which the Allied armies bring in and for which the United States, the United Kingdom and Canadian Governments pay.

The social and political significance of the position as to transport, power and food in Italy is thrown into further relief if the country's financial position is also taken into account. At present, the purchasing power of the lira is remarkably steady. Increases in bank borrowings by the Italian Government from the Bank of Italy and increased disbursements by Allied paymasters continue to grow, but the peasant and the trader firmly believe in the lira and the Government can still borrow by treasury bill subscriptions.

While the internal purchasing power of the lira has been maintained, its external purchasing power has been seriously threatened. In 1938, Italy imported approximately 11.4 billion lira of goods and exported 8 billion. The difference was made good by invisible exports — gold payments, merchant marine earnings, tourist traffic and remittances. In that year Italian imports were of approximately the following value: foodstuffs, 1.5 billion lira; raw materials, 5.5 billion lira; and manufactures, 4.4 billion lira, a total of 11.4 billion lira. Italian exports in the same year were: foodstuffs, 2.7 billion lira; raw materials, 0.5 billion lira; and manufactures, 5.2 billion lira; plus the invisible exports of shipping earnings, 0.5 billion lira; tourists and remittances, 2.0 billion lira; and gold payments, 0.5 billion lira, a total of 11.4 billion lira.

What do these figures mean in postwar terms? They mean that with no immediate substantial tourist traffic (which is likely), with little or no shipping earnings or gold movements (which is certain), with reduced immigrant remittances (which has happened), with the strong probability that exports of manufactures cannot quickly reach their prewar level, Italy may have immediately available for export, in order to earn the foreign exchange she must have to live, some foodstuffs (vegetables, cheeses, olive oil, wine, and the like) and some insignificant raw

materials (sulphur and mercury). With the earnings from these she must pay for the imported cereals and the coal which, in almost any circumstances, she must have, and the raw materials and the manufactured goods which she must have if she is seriously to repair her war damage.

In all probability the task is beyond her powers. If she is again to be an important industrial country, she must first be financed; and she must be financed, it would seem reasonable to suppose, to the tune of some \$100,000,000 to \$150,000,000 worth of food-stuffs and \$300,000,000 to \$400,000,000 worth of raw materials and manufactured goods a year for some years.

VII

What conclusions can be drawn from the general statement of fact regarding all countries, and from the detailed statements of the facts in two specific countries — France, an allied country which has resources and can pay for her imports, and Italy, an ex-enemy country which has slender resources and cannot pay for her imports?

The first is that we must remember to have these facts in mind when we consider our policies both toward our Allies and toward the Axis satellite countries which have surrendered. Do we want the “more abundant life” of an “expanding economy?” Do we want “full employment?” Do we seek peace and wish to pursue it?

If we do, let us take these facts into account: 180,000,000 people living in twilight, on an insufficient diet, largely without coal, without adequate means of communication, and under-employed are neither good customers nor good neighbors and cannot be either good customers or good neighbors unless they are helped to become so. Equally, 180,000,000 people and their daily needs cannot be disregarded. For the moment, the decision lies of necessity with the Governments of the United States and the United Kingdom because between them they command most of the necessary supplies, shipping and financial resources. Our Allies cannot rest content for long. No longer under pressure from the Germans, the governments of these liberated countries will become more exposed to the social pressures of hard times. It is as though the Eastern Seaboard of the United States woke up one morning to find that an invader who had been in occupation for five years had been driven into the Atlantic but that the country was in the throes of the banking crisis of 1933. Since

such pressures from 180,000,000 people in Europe cannot be resisted by their governments, our political policy must take the facts into account. That is the starting point.

The second conclusion depends on the first. What do the facts themselves require of Anglo-American policy? Raw materials to provide employment must be made available in relatively large quantities. Food to improve the diet sufficiently to sustain a working population must be provided; and, in some instances, this can be done only at our own expense, since, in the period in which it is wanted, it can be provided in no other way. Finance in the form of foreign exchange credits is needed to tide over the period of pump priming, to get the wheels of industry moving, and to restore the export capacity of the liberated countries. Lastly, the ships to carry the food and raw materials must be found, and this before long.

In sum, the problem of the liberated territories is this: Can the United States and other exporting countries restore, and quickly, the flow of their overseas shipments to something nearer the prewar level, in a period when the war with Japan is still going on, and when the 180,000,000 Europeans involved cannot pay for the food and raw materials they must obtain if they are to have employment and if democratic government is to survive? Or are the rise and fall of Hitler and Nazi Germany something like the Moslem invasions, "flung across the current of historic life, interrupting the series of causes and effects of which this current is constituted and by their unexpected repercussions overturning the order of things?"

THE REBIRTH OF THE FRENCH SPIRIT

By André Siegfried

I DO not mean this to be history; what I attempt is only a psychological analysis of the French people as they are after the past five years — years heavier than centuries. Never in its two thousand years of history has the country known more tragic hours, never has its social, political and moral fabric undergone a more terrible ordeal. The destruction and the shock have been so great that even today, when France has regained her dignity, her independence and her place among the nations, she cannot be considered a normal political entity. Everything has been trampled under foot, torn up, rocked to its foundations. The souls of the French people have been spared no more than their buildings and institutions. Everything must be rebuilt on ground still littered with ruins. The future cannot be written on a clean white page; the past, steeped in bitterness, is inescapably present. Those who have not experienced the ruin and the bitterness will find difficulty in imagining them; yet not to take them into account would be to misunderstand the situation and to run the risk of forming most unfair judgments.

The crisis must be seen as a whole. Let us begin, therefore, with the state of mind of Frenchmen when war was declared. France's effort between 1914 and 1918 had overtaxed her strength. She sorely missed her 1,500,000 dead. Moreover, in spite of her victory, she did not feel victorious: she could not forget the vulnerability of her frontier, breached four times within a century. Hence her insistent demand for the occupation of the left bank of the Rhine and her attempt to maintain it; hence her recourse to a counterweight in the east in the form of alliances with Slav partners — mere small change in comparison with the great Russian ally who was lost. England and the United States blamed us for these precautions and thought them expressions of a pathological obsession or inveterate imperialism. We, of course, thought that we were right in the matter. But by the time the German menace had taken shape and there was visible proof of the danger, the damage had been done: the left bank of the Rhine had been abandoned and French military intervention in central Europe had become impossible.

Let us admit that we felt a certain bitterness toward the Anglo-

Saxon Powers when, reversing their direction, they urged us to adopt a policy which was liable to lead to war. We were alone on the field. England was prepared to support us, but had no army ready; and when we asked the United States for a pledge, she declined to commit herself. Once, at Munich, France saw the edge of the abyss and stepped back. A year later she got hold of herself, but when she took action she did it in a mood of desperation. Those who had fought the war of 1914 had hoped that it was the "last war." Now, under pressure of heavy necessity, another war had to be fought. France entered it without enthusiasm: it seemed a war in which there was everything to lose and nothing to gain. These were deplorable conditions under which to give battle.

The situation I have described was aggravated by the ten years of domestic disturbances through which we had passed: the uprising of February 6, 1934, and the Popular Front of 1936 had sown seeds of profound dissension. Although the Third Republic enjoyed the sincere support of the majority of the people, it never had been able since it was founded in 1875 to rally that of *all* Frenchmen. Now it was losing the allegiance of a sizeable portion of the bourgeoisie. On the Right there had always been a latent but irreconcilable opposition which, while giving lip-service to the Republic, nevertheless despised it and would rejoice at its fall. On the extreme Left there were the revolutionaries. Until 1914 it had been easy to control those two extremes; but now that the Revolution could cite Communist Russia, and the Reaction could lean upon Fascist Italy or National Socialist Germany, the danger had enormously increased. The country was neither Fascist nor Communist, but it found itself drawn into the orbits of the two opposing ideologies.

Parliamentary institutions could not function normally when constitutional loyalty was no longer general. The Government had to call on the reactionaries when it wanted to defend order and on the revolutionaries when it had to defend the Republic. The need to choose between revolution and reaction became so acute that at times matters of national security were relegated to the background. To distorted minds it seemed more urgent to defeat the revolution than to defeat Germany, with the result that for some people Germany became a rampart protecting them from disorder. This dangerous split in national sentiment created a crisis which affected the very meaning of the idea of patriotism. It is all still so close that it hardly belongs to the past.

II

Up to a point, this combination of circumstances explains why France accepted the armistice of 1940 with passivity. The French people had hoped that the war would not have to be fought, and had submitted to it without conviction; and then the military leaders had said that to continue the fight was impossible. General de Gaulle drew a distinction between the battle of France, which had been lost, and the world battle, which could still be won; but at the time he expressed the feelings of only a minority. There was nothing to be done, so it seemed, save wind up a business which had been bad from the beginning, especially since England would very soon suffer the same fate as France. The old leadership was swept away in the catastrophe, and the confusion was such that, to all appearances, only one fixed point remained — Marshal Pétain. All that was really known of him was his legend; the French people did not know that he was congenitally a defeatist, nor that in the course of time he had developed an appetite for power — power not to serve the Republic, but to destroy it. Everyone wanted to believe, sometimes not without hypocritical cowardice, that no solution advocated by the Marshal could be reprehensible. Many, on the other hand, were Gaullists in all but the name. But the country was like a man who had been hit on the head.

I do not believe that the Republic would have collapsed from internal dissension alone; but the stupor which followed defeat in war brought it down. The National Assembly, in session at Vichy on July 10, 1940, did not realize that it was sentencing the Republic to death when it conferred full powers on Marshal Pétain and entrusted him with the preparation, within the framework of the existing régime, of a new constitution. The National Assembly had lost all courage and all confidence in itself. It offered no resistance to the intrigues of a violent anti-parliamentary minority; events seemed to justify the attack on parliamentary government, and the defeated military leaders used the National Assembly as a scapegoat upon which to turn popular anger. It was the appointed hour for the enemies of the Republic. We know now that the Marshal himself, as early as 1934, had participated in secret plans to change the French system of government. In order to get a clear picture of the minds of these people one must remember the hatred they felt, not only for the parliamentary Republic, but for all the political principles

of the eighteenth century and of the French Revolution. At last the time had arrived, they thought, to get rid of this despised régime. To such minds, even the defeat of France was not too high a price to pay for the desired objective.

The forces which inspired the Vichy ideology were complex, but some fundamental traits of the Government which they created stand out: it was an authoritative Government, utilizing some sort of *fuehrer prinzip* in favor of the Marshal. It excluded universal suffrage — the recognized expression of popular sovereignty — thus repudiating a century-old tradition in France. In numerous county seats, it removed the figure of the Republic, a symbolic gesture which deeply affected a people still republican in its allegiance. Reversing the policy of the preceding régime, it adopted a clerical attitude toward primary schools, though the majority of French people opposed this and not even the Catholic groups desired it. In the social field it sought to destroy trade-unionism and to substitute the Fascist-inspired doctrine of the corporate state. Its foreign policy had to operate under the harsh law of the German occupation, but while it avoided concluding the military alliance which Germany desired it expressed its anti-British feelings in declarations which were too filled with venomous rancor not to be genuine. It would be unjust to say that the Government did nothing to lighten the sufferings of the French people; and the civil servants, often devoted and courageous, helped in every possible way. The Marshal, however, was thinking too much of disciplining the French people to be thinking of France. His attitude was distasteful to French patriotism and helped awaken those who had been anesthetized by the shock of defeat.

Neither the democratic France of the French Revolution nor the bellicose and proud France of 1792 and 1914 recognized herself in this régime. The Government was not content merely to remain passive before the conqueror, pleading harsh necessity in explanation of its existence; it displayed appalling satisfaction at the course of events, and unseemly eagerness to carry on a program of reforms under German protection. The minority, deprived of power for many generations, found its revenge. It is quite true that the Marshal was acclaimed on state visits in the free zone: his personal popularity was unquestionable. But an unvoiced protest mounted against the anti-republican coup d'état he had engineered, as well as against the servile attitude of his Government.

This protest crystallized around the name of General de

Gaule, though he himself was only a symbol. No outstanding civilian personality rallied to him at first, so that the movement had no definite political orientation. Some said that all his followers were Communists and others identified him with the *Action Française*; but this gave even greater significance to Gaullism, from the national point of view, since it implied that both the Left and the Right supported him. The Left, however, furnished most of the recruits for the movement, and the Government began to look upon it as an opposition party in revolt against the authoritative principle: a "despicable Gaullist" meant someone who was disobeying the Marshal. To a great many people, devoid of malice but lacking in courage, Vichy represented order, social permanence and, above all, a defense against revolution. In this there was no question of pro-Germanism. Indeed, real "collaborators" were few. Those few were men who loved money, influence or honors (men whom the Germans knew how to corrupt), or embittered failures getting revenge for their past obscurity, or unprincipled politicians betting on a German victory, or profiteers. And there were irresponsible persons who did not have the capacity to reckon up the meaning of their actions. Generally speaking, the masses were protected by their inherent common sense. German propaganda, insistent, yet vulgar and clumsy, did not touch them.

The alien presence gradually became unbearable. After the crisis of surrender and the ensuing stupor, national sentiment began to be reborn. In those who were militant, the process was conscious; in others it was merely an instinctive reaction — the elimination of a foreign body from the organism of France. It had not yet become the Resistance, but the ground was being prepared. The Resistance started when the Germans, abandoning all pretense after the events of November 1942, abolished the two zones and extended their control over the whole of France. Russia was in the war on the side of the Allies, and the Communists, who had remained in the background, placed their zeal and their capacity for organization at the service of the movement for liberation. When Germany began to round up civilian workers, the Maquis were constituted. Requisition for the labor battalions meant deportation, and to avoid it men took refuge in the mountains or in isolated parts of the countryside where they organized groups, supplied with arms by parachute. Resistance of this kind, requiring initiative, imagination and a spirit of adventure, had been the tradition of France since the Vendée, and

French individualism was admirably suited to it. It is difficult to estimate how many of those who took part in this movement were convinced patriots, how many were deserters who simply did not care to go to Germany, and how many were adventurers to whom this life on the edge of civilization was attractive. If one believes the official Vichy propaganda they were mostly thieves, with a few simpletons. In fact the movement was political, and also genuinely military, since most of the groups were organized under the command of officers; and the tacit but effective support it received from neighborhood populations made it a national movement. The police, told to arrest these "outlaws," protected them and often worked with them. The Resistance was less open but no less active in the cities, where the centers of the movement were located. Its leaders, hunted and trapped, assumed fictitious names, changed their domicile daily, led the life of persecuted vagrants. When they were caught, the Gestapo tortured them to make them talk. These were heroes, whose sacrifice and courage can never be adequately described.

At this point it is necessary to analyze the political psychology of the men of the Resistance, for therein lies the key to the present difficulties of liberated France. The Maquis belonged to all political parties, but mostly to the Left. Many of them were Communists, pursuing their own aims at the same time that they conscientiously worked for the liberation; there were some sincere Catholics professing advanced social doctrines; and there were many young bourgeois — students in the higher technical schools or the universities. These young men led the life of conspirators and had no sympathy for parliamentary procedure; they despised the Deputies, though they remained grouped by parties. This sort of life, based on direct action, was a new experience and left its mark. The political atmosphere of the Resistance was that of trade-unionism or Jacobinism rather than of liberalism. The movement considered itself more representative of the deepest will of the nation than an elected body could be. The qualities naturally brought to the surface in these volunteers were vastly different from those required for peacetime life: physical courage, devotion, a spirit of decision and, at times, not too many scruples. Thus, stimulated by the needs of the moment, a new élite began to emerge which, if it survived, would introduce a new spirit and untried methods into politics.

But we must not believe that the past had been wiped out. A

great part of the bourgeoisie greeted the fall of the Third Republic joyously, and the extreme Left dreamed of replacing it with something quite different. But in the provinces the masses of the people regretted the old régime, with its elections, its horsetrading, its easygoing ways: perhaps it was precisely its faults which made it seem so attractive in retrospect. If one believed the talk in drawing-rooms and the press, public opinion had come to despise the Deputy, but the fact was that the Deputy retained his influence in the electoral district. For this reason the anti-parliamentarism of the Resistance does not mirror the mood of the country at large.

The creation in Algiers of a Free French Government was not greeted with unanimous satisfaction, for it seemed to reproduce the partisan divisions of the past too faithfully. The Fighting French Army in Africa and Italy was an object of pride, however, and the constantly increasing strength of the Maquis gave the country the feeling that it was actively participating in the fight for victory and liberation. The discouragement and passivity of the dark hours that followed the armistice disappeared. Even average people displayed heroic courage, as when, after Allied air bombardments, they refused to accept the hypocritical sympathy of the Germans or join in the disingenuous protests of the Marshal. Frenchmen accepted the destruction as necessary. Nervous tension mounted throughout the country, nevertheless, fed by the hidden terror of the Gestapo, the arrests, the increasing reprisals which surpassed in vicious horror all that could be believed or imagined; and it was increased by weakness due to lack of food. Everyone was affected physically and morally. Add to all this the anxiety over the soldiers imprisoned in the Reich and the workers who had been deported — the waiting for news that never came — and it will be possible to understand why the country did not, and for a long time will not, have healthy reflexes.

III

When liberation finally came to a nation thus trampled on and raped, the past offered no experience to help in solving the problems involved in reëstablishing a free government. When General de Gaulle arrived in Paris on August 25, 1944, he found a country intoxicated with joy but with no political or administrative framework. There was no army, except the corps of Leclerc and de Lattre de Tassigny which were needed at the front. There

was no police force — or rather, there was only a police force which had so often been purged and changed by Vichy that its rôle in the liberation (magnificently played, by the way) was to promote insurrection. There was no administration, because the Prefects of Vichy, hopelessly compromised, could not be kept at their posts. On the other hand, armed troops of the Resistance, strengthened in prestige, had everywhere seized power and assumed duties for which they had not been designated. The people did not even know who they were. As no elections could be held, the Resistance forces exercised a *de facto* dictatorship. The situation was even more confused in local government as party men and profiteers, edging themselves into the group of real fighters, began to rule and to administer justice, often with indulgence in personal or factional vengeance as the result.

Such was the political situation facing General de Gaulle. Few members of the Resistance had even seen him; and the first meeting between the chief and the National Committee of Liberation left the impression that no real contact had been made. Matters were further complicated by the fact that the General was not returning alone; he was accompanied, or soon followed, by the personnel of his Algiers Government and by all those who, for four years, had given him faithful support in London, in Africa, in New York. Each of these groups differed in temperament, and when they met they had to adapt themselves to each other. Those who had fought the Germans in France, who had suffered from hunger and incurred terrible risks, took pride in their past ordeals. The exiles from Algeria and those returning from England had not shared identical experiences, but they all had the advantage of belonging to an existing administrative body which was ready to constitute a government.

The new Government, rather embarrassed by the somewhat disorderly fervor of the French Forces of the Interior, managed to integrate its best elements into the Army. Many of the other members of the F.F.I. had become accustomed to the adventurous existence of the Maquis and had no desire to return to regular peacetime ways; as a result, there were armed individuals everywhere who recognized no authority. The position of the central Government was made more difficult by the almost complete lack of means of communication. Bridges and roads had been destroyed, and the rolling stock of railroads tremendously depleted. To add to the confusion, it was now possible to give vent to pent-up indignation against those who had behaved

badly during the occupation. Insolent collaborators, well supplied with material advantages — the price of their betrayal — had humiliated patriots and denounced them, sending them to their death. Now the situation was reversed: most of those who had been compromised had fled, but those who remained had to hide in order to escape vengeance. Justice was on the march. The mood of the country was not unlike that which produced lynchings in a nineteenth-century frontier town in the United States.

In a less dramatic form the same clean-up had to be made among administrative officials. No longer could it be argued, as under Vichy, that competence at administrative tasks made people indispensable. But here again, as the purge progressed, it was difficult to draw a line between action motivated by jealousy or hope for personal advantage, and sincere reform. The release from four years of repression was like the breaking of a dyke. In the weeks following the liberation of Paris, the political intoxication reached such a pitch that everyone forgot that there still was a war to be fought.

Under the circumstances, only a display of great wisdom by the Government could avert civil war. It apparently had this wisdom: it knew when to hold fast, when to give in and when to avoid the issue; and the forces which it could not change it assimilated. The ticklish problem of the F.F.I. was slowly solved. Disorder was prolonged in some places where fanatical elements continued to wield power, but these places became fewer and fewer. Civil war was averted.

In domestic politics a shift to the Left was clearly necessary. General de Gaulle interpreted the political situation acutely. Almost at once he declared himself in favor of the Republic and named his régime the "Provisional Government of the French Republic." By so doing he responded to the wishes not of all the people (some remained faithful to the Marshal) but of the great majority. It remained to be seen what kind of a republic it was going to be: representative, Jacobin or authoritative. Would it preserve the existing social order or would it be revolutionary? And would the Provisional Government begin "structural reforms" without waiting for a popular mandate — that is to say, could the Government's great achievement of liberating the country stand in lieu of a formal delegation of power by the people?

Many who had been active in the liberation felt that now that

the Germans had been ejected and the Republic (though provisional) reinstated, the job was done. The Resistance, however, held that the "revolution" was still to be achieved. In a country like France, revolution is a word heavy with meaning. What kind of revolution? The atmosphere of conspiracy of the years of occupation had influenced former liberals. They felt no urge to restore the régime of the Third Republic which had neither prepared for war nor avoided it. They were moved by the spirit of revolutionary change which called for the social democratization of the country, for a doctrinal leadership capable of drastic action, untrammelled by parliamentary prepossessions and functioning in the manner of a committee rather than of an elected assembly. This attitude is directly inspired by the French revolutionary tradition of the nineteenth century and also by Russian Communism, and is reflected by the large number of Communists in the resistance groups. Nor can it be denied that the presence of the Germans has left its mark; a tendency to fall back upon certain authoritative ways of approaching a problem, a distaste for the methods of liberalism, are in the air. We must not forget that France is a continental country, susceptible to influences from the east.

It is still too early to know whether these tendencies, which spring both from a sincere desire for national renovation and from a wish to hold on to present power, correspond to the instinct of the population as a whole. It seems to me that if the people were free to choose they would welcome a régime of elective government which would safeguard personal interests and give play to political aspirations. As we have noted, communities are still attached to their spokesman, the local deputy, and the attachment is strengthened by the fact that government decisions are apt to be somewhat arbitrary. If a national election were held, parliamentary institutions would have a good chance, for the Republic left a deeper imprint on the French people during its long years of existence than is sometimes supposed. Nonetheless, events have dug up the political ground so thoroughly that it remains to be seen whether the old republican tradition will survive; and even if it does, the conditions under which representative government will function will be new and different.

Here is France on her feet again — miraculously risen from the dead, conscious of having regained her dignity and independence, proud of the spontaneous and heroic gesture she made in joining

with the Allies to drive the enemy from her soil. How does this France of 1945 see herself in relation to the other nations?

France felt the humiliation of the defeat deeply, but she believes she has regained her honor. The average Frenchman considers that he has recovered his moral place in the world; yet he must affirm it over and over again, somewhat nervously, for the memory of those awful years has left him hypersensitive. He is afraid he may be treated with insufficient consideration. Besides, he feels obscurely that the proportions of the world have changed and that his own stature is no longer what it was. He was resentful, for example, when it was suggested that French would not be included among the official languages at the San Francisco Conference. France is aware of the important place she occupied in the development of civilization, and she does not resign herself easily to the fact that her rôle as civilizer does not ensure her a corresponding political standing. In spite of her ruins, her losses in men, all her accumulations of exhaustion and suffering, she has the will to survive, to recover her strength. Her leaders are ambitious on her behalf, and she will heed their call: *sursum corda*.

Never has France raised herself so quickly after falling so low. How can one describe a recovery so astonishing, so unexpected, so miraculous? The crisis of the Hundred Years War was less dangerous, for love of country had not become quite separated from loyalty to the king. This time the pit yawned and the extent of the catastrophe was unmistakable. The rebirth of France has, in truth, been a resurrection. Jeanne d'Arc did not doubt, nor did General de Gaulle: history will associate these two names.

THE TREATMENT OF GERMANY

By Jacob Viner

THE governments of all the leading Powers are now faced with the problem of the postwar treatment of Germany, in all of its phases. The responsibility, moreover, is primarily a governmental one. Intelligent and comprehensive consideration of how this responsibility should be carried out requires detailed and timely factual information. This is in large part available only to governments and their personnel. While hostilities continued, secrecy was necessary with respect to some of this information; and the very mass of the relevant data makes it practically impossible for outsiders to accumulate and master it. The solutions to the problems which will arise must, moreover, be hammered out in negotiations among the United Nations. Differences will inevitably arise among them, and until these are reconciled the governments concerned will not think it wise either to permit their own positions to become frozen or to share fully with their publics the views they have reached. The answers must in the last analysis be worked out in discussions among governments.

The lay citizen, nevertheless, has an important rôle to play in the process of formulating policy in this field. He has a vital stake in the decisions. The nature of these decisions will reveal, soon if not at once, "the baby figure of the giant mass of things to come at large." The decisions, moreover, must be such as not to clash violently, now or later, with prevailing public opinion. It is urgent, therefore, that the public be made aware of some of the complexities of the issues involved, be prevented from acquiring fantastic notions as to what is possible or desirable, and especially be brought to realize that much more is involved than the decision as between a "hard" and a "soft" peace. Governments, as far as I know, have as yet done practically nothing in this direction, no doubt because until victory against the Axis Powers was definitive, and until they had reached substantial agreement among themselves, they were too hard pressed by other matters to have the time to give to this task, or were too doubtful as to its expediency to have the will to devote themselves actively to it. The public must give serious thought to these issues, but in the absence of governmental guidance it must for the time being do its thinking for itself. It is the purpose of this paper to make a

minor contribution in this connection by attempting a presentation of the issues on which both peoples and governments must now make up their minds.

The major phases of the postwar treatment of Germany which require consideration, in the order in which they will be discussed here, are: the question of punishment of Germany; planning for security against a recurrence of the German menace; restitution of and reparation for war loot and war damage; and institutional and procedural arrangements for the execution of the program as a whole.

II

Ruthless aggression and brutality to prisoners and to conquered peoples unfortunately are not unprecedented. But where in recorded history can a parallel be found to the Nazi record of mass murders planned and executed in cold blood and with the apparatus and routines of large-scale factory production? It would be wrong not to burn with anger against such deeds. No mitigating circumstances can be involved. Many Germans, no doubt, acted as they did, or kept silent as they did, only under coercion. But millions can be coerced only by millions, and even those coerced into participation or into silence must at best be regarded as morally or mentally sick because of their memories of what they did or failed to do. There is, at least as yet, no evidence that any substantial section of the German people was guiltless either of active participation in evil or of abject submission to it. If, nevertheless, there is to be pity for the Germans, its justification must be sought not in the valid claims of Germans on our pity, but on whatever contribution its exercise may make to the moral welfare of those who exercise it and of mankind in general.

Many millions of Germans were full-fledged Nazis and many millions more lived unprotestingly under the Nazi régime, or confined their protests to questions of ecclesiastical jurisdiction. As far as we know, the overwhelming bulk of the Germans were at least as satisfied with the régime while it was victorious as peoples ever are with their governments. It is administratively impossible, however, to treat all of these individually as war criminals or as mentally sick persons, even if we regard them as such. Those who were already advanced in years when Hitler came into power and whose records are clean or neutral, young children, the survivors of Hitler's concentration camps, the uninformed, non-political, perhaps ignorant and isolated peasants —

these can perhaps be regarded as free from the otherwise individual moral responsibility of all Germans for the evil that the German people has done. But that still leaves tens of millions of Nazis or of Nazi-tainted Germans.

Hitler in such a situation would have been at no loss as to what to do: mass murder of the dangerous and the useless, enslavement of the rest. But we are not Nazis, and we must not become such in our zeal to punish the Nazis for their sins. There is no lack of precedent in western civilization for holding groups to collective responsibility. So much of our social life is carried on through groups and organizations of one kind or another — corporations, trade unions, local governments — that if there were not collective responsibility for the acts done on behalf of groups by members or agents thereof, our society would long ago have disintegrated. It is a fundamental violation of a major element of our whole moral code, however, to apply directly to individuals physical penalties for wrongdoing for which they have only collective responsibility, and we must not succumb to Nazi principles at the very moment of our defeat of the Nazis themselves.

We owe it to ourselves, it seems to me, to our belief in the superiority of our moral code and to our loyalty to that code, to adhere steadfastly to the following simple principle: that no individual shall be executed and (except as part of the military routine and in temporary emergencies) no individual shall be imprisoned or subjected to forced labor except as the result of a formal procedure of a judicial character under which the individual has been given a fair trial according to our own standards and has been proved guilty of active complicity in Nazi misdeeds. This far toward direct punishment of individual Nazis we can go with a clear conscience; go further than this, and we do injustice to the principles we have been defending in resisting Nazi aggression.

The question is being widely discussed as to whether the plea that participation in atrocities was under orders should be accepted as adequate defense. It is a question on which a non-lawyer is perhaps not qualified to have opinions. But in municipal law, surely, many cases arise in which this plea is rejected unless the defendant was subjected to irresistible physical coercion. There does not appear to have been any serious deterioration of the traditional German capacity for administrative efficiency under the Nazi régime. Is it not likely that when the Nazis planned their atrocities, they generally chose for their execution persons

with a special aptitude and special liking for such tasks? Is there any evidence that anyone was forced to join the Gestapo or the S.S.?

Aside from the demand for the punishment of individual war criminals, it is just to expect that the German people as a whole will receive punishment for its aggression against its neighbors and for the atrocities in which it permitted its government and military forces to engage, provided these penalties are applied to the group as such and not directly against individuals; and provided also that the penalties are limited to economic or political measures. But in so far as it is just and expedient that the German people shall suffer collective economic and political penalties as punishment for its sins, this will sufficiently result from the automatic consequences of total defeat in war and from the military, political and economic measures which the United Nations should take to secure themselves against the risk of recurrence of German peace-breaking.

III

A second phase of the question of the postwar treatment of Germany — and by far the most important — is how to provide security against the recurrence of German aggression. We must hope that defeat for a second time will of itself suffice to convince the Germans that aggression does not pay, or even to convert them to a positive belief in the desirability of peaceful relations with other peoples. We must not count on it, however. On each of the occasions in the past generation when Germany has launched an aggressive war, she came much closer to success than it is comforting for non-Germans to contemplate. The Germans may appreciate more the record of how near they came to winning than the record of their ultimate failure.

But Germany will emerge from the war militarily and economically prostrate, and without open friends. If a solid world-wide security organization emerges, there will be little obvious need for any special action against Germany on security grounds. As long, however, as any of the Great Powers insists on a single-veto power over the application by the world security organization of military or economic sanctions against an aggressor country, special protection against the menace of renewed German aggression will seem urgently necessary. Germany, of course, will not be a member of the Council of the world security organization (and so, it is almost needless to point out, will not have any

veto power). But it will be possible for any country with veto power to exercise it on behalf of Germany, and the retention by Germany of any substantial military potential would create a constant danger that one of those countries might be enticed into partnership with her and engage in joint policies which would endanger the peace of the world — unchecked at an early stage by the Security Council.

The countries which have suffered from German aggression, then, will not be willing to depend solely on the security organization for their safety until, in the course of time, it has demonstrated its effectiveness. Meanwhile, they will insist upon additional safeguards against a recurrence of German aggression, not only by maintenance of their own armaments and by limited security pacts among themselves, but also by the application to Germany of special measures intended to limit her military potential.

That measures of this nature should be taken, and that they should be severe enough to have good prospects of being effective in keeping Germany powerless to resort once more to aggressive policies, should go without saying. But we must not let our anger, righteous though it be, lead us into actions which would involve the enforcing countries in administrative burdens or economic costs which would become intolerable to us when our emotions had cooled, or which by their provocative effect on German opinion would indefinitely prolong the period during which the Germans could not be trusted voluntarily to maintain the peace.

Certain general principles seem to be appropriate as guides to policy with respect to the special measures to be applied against Germany on security grounds. First, the measures must be adequate for their purpose, which is to keep Germany weak. Second, they must be such as the enforcing countries can be expected to be willing to apply as long as need for them appears to persist. Third, they must be such as will either work positively toward the diminution of German aggressiveness or will at least not hinder the effectiveness of the forces within Germany operating in this direction; they must be such, therefore, as will in time contribute to their own obsolescence. Fourth, they must be such as will be likely to yield the maximum of demilitarization in relationship to the administrative burden they entail and to the degree in which they impair German productive power. Fifth, they must be such as not to do violence to the standards of justice, legality and decency of the enforcing countries.

To fulfill these principles, we must plan on the assumption that German aggressiveness may not be an incurable disease, and that the strait jacket necessary at first will be loosened and finally removed altogether as, by their good behavior, the Germans convince us that it is reasonably safe to relax our controls. We must not expect this to happen very quickly, and especially we must not place any confidence in the generation which grew up under the Hitler régime. But we must hope, and in so far as possible plan, that the German children of today and of future generations will make a Germany with which all other peoples can live peacefully on equal terms. To make sure that Germany shall meanwhile not have the military strength to resort to aggression, a period of military, political and economic quarantine must be imposed upon her, with the understanding that the enforcing agencies can reduce or increase its severity according to the trend of German political behavior.

The German people must be deprived of all major facilities for military training. The general staff and its educational subsidiaries, and all but a minimum army for the preservation of internal order, should be disbanded. Military schools should be closed, and all military training of youths should be prohibited. The objection that this will leave Germany helpless to resist aggression against her should be met by granting her an international guarantee of the inviolability of her frontiers except by troops acting on behalf of the control authorities.

All ordnance and military aircraft should be surrendered or scrapped. All plants adapted for the manufacture of ordnance, all armor-plate mills, all plants for the manufacture of airplanes or parts, all underground plants and underground storage facilities should be dismantled or destroyed. The manufacture and export of ordnance, airplanes, armor-plate, warships should be prohibited. The manufacture of explosives should be limited to specified plants and specified non-military types. All coastal and frontier defenses of a permanent character should be destroyed. All stocks of purely military goods should be turned over to the occupying armies for destruction or disposal outside Germany.

The German governmental budgets should be open at all times to inspection by officials acting on behalf of the control authorities. German production, and also import and export statistics and the agencies compiling them, should be kept under constant supervision. The control authorities should also reserve the right to require that imports of strategically important materials not

producible on a large scale in Germany shall be restricted, by quotas or otherwise, to the amounts which in their judgment suffice for the valid non-military requirements of the German economy. If Germany has a free-market, private-enterprise system, the control authorities should also be authorized to prescribe categories of imports that are of direct military importance in wartime, such as, for example, petroleum, rubber, aluminum ingots and magnesium; no import duties or other import restrictions should be permitted on such materials, in order to prevent the development or retention under tariff protection of industries of great strategic value.

All instances of German participation in international cartel agreements and in the control or management of industry abroad should be brought to light and examined for their military implications. Wherever it is found that such German participation could readily be used to restrict the production or distribution of strategic commodities outside Germany, to acquire for Germany knowledge of new processes of direct strategic value, to train German personnel for military purposes, or to finance and provide a cover for propaganda abroad, the control authorities should be empowered to require termination or modification of such participation. German financial holdings abroad should be sequestered, to be restored to their rightful owners if they had been acquired as war loot, and to be set off against reparations claims if they had been legitimately acquired. The holdings abroad of bona fide German refugees or anti-Nazis, however, should not be interfered with. German participation in air transportation facilities outside Germany should be prohibited, and Germany should be permitted to maintain air services within Germany only with foreign-made planes imported into Germany under license from the control authorities.

Economic strength is a major source of military strength; and since almost all production — especially heavy industries — can readily be made to serve military purposes, it may be objected that this program, severe though it is, is not drastic enough to ensure that Germany will be incapable of embarking almost at once on preparations for another war of aggression. Many persons, indeed, are of the opinion that nothing short of a substantial deindustrialization of Germany will provide sufficient protection against the recurrence of a German threat to world peace.

In my mind, however, a program much more severe than that sketched above seems unworkable, unacceptable to world opinion

in the long run, and probably unnecessary even if practicable. Any economic burdens or disabilities imposed upon Germany should be only incidental to restrictions imposed for specific and weighty military reasons, such as those proposed above, or should be for purposes of restitution and reparations. There should be no impoverishment of the German people for the sake of punishment, or because general impoverishment produces military weakness as a by-product. The economic plight of the German people will be desperate for some time under any circumstances. Germany has lost millions of her best and most skilled workmen through military casualties and mass murders in the concentration camps. Her cities are largely levelled to the ground, her factories in disrepair or destroyed, her railway system without bridges, stations, rolling stock. For some time German economy will suffer from the handicap of inevitably inefficient foreign military supervision, and it may be many years before an efficient German administration can be reestablished. American capital will not be made available to speed up the process of rehabilitation and reconstruction, as in the period after the last war. Reparations will take a heavy toll of working inventories of materials and equipment. The population tide, which ran in favor of Germany after 1919, will for the next generation be strongly against her. For some time, in all probability, the outside world will be faced with the question whether the poverty and hunger of the German people should not on humanitarian grounds be relieved by aid from outside, rather than with the question whether Germany is not becoming too prosperous to be safe.

If, therefore, the will of the Allied nations to maintain a tight control over Germany's military potential is to persist until the patent strength and solidity of the world security organization (or the evaporation of the German will to aggression) makes it safe to remove it, the control will have to be kept within bounds. It must not involve starvation of innocent children, or feudal servitudes applied indiscriminately to adults. It must not include, in the guise of measures of military control, restraints on German industry the real or strongly-suspected objective of which is to remove the burden of German economic competition from one or more of the controlling Powers. Unless we are prepared to maintain indefinitely a control harsh enough to lower the standard of living of the German people below the minimum requisite for maintenance of health and vigor, which is unthinkable, the control must be mild enough to leave some chance that

the German people will plan for peace instead of for a war of liberation from the foreign yoke. While we must try both coercion and cure, an overdose of the former will destroy the possibility that the latter can be effective.

Impairment of German productive capacity, moreover, means economic injury not only to Germans but to the rest of the world, and especially to those countries which in normal times find Germany an important export market or source of imports. Many persons have belatedly discovered that the industrialization of backward countries is generally to the economic interest of advanced industrial nations. On the same grounds, it is not to the outside world's advantage that Germany should be transformed from an industrially advanced country to a non-industrial one. Indeed, the reverse approach is more logical. The world has a surfeit of agricultural population as it is. Were Germany made dependent on other countries for a large proportion of her food, she thereby would not only contribute to world-wide prosperity but would be deprived of more military strength than would be the case if a large portion of her steel industry were forcibly transferred to neighboring countries. If, on the other hand, Germany were to be agrarianized, those countries responsible for that decision should also accept responsibility for providing substitute markets for the countries which have hitherto found Germany their best outlet for their agricultural surpluses.

If Germany could be placed completely on a free-trade basis in her foreign commerce — and still more if the whole world, or most of it, were on such a basis — Germany would indeed be so dependent on distant sources of supply for many strategic materials that even if she resorted to large-scale stockpiling the risks of venturing on a major war would be obviously too great for her to face. However, the enforcement of free trade on Germany alone would be regarded by the Germans as an intolerable grievance, and would intensify German competition in world markets to a degree that the rival industries in the enforcing countries would find unbearable. It would drive the Germans to state-operated industry, secret subsidies, and other evasive devices. A substantial approach to universal free trade would provide the world with the best kind of protection against the threat of a renewal of German military power and would be to the economic advantage of Germany as well as of the rest of the world. But for the present at least, this solution is as unacceptable almost everywhere as it is intrinsically desirable.

It is highly doubtful that the net result of the annexation by any of the Allied Powers of German territory inhabited predominantly by Germans would be to promote peace, even if such a step did involve some impairment of German economic and military strength. Modern history reveals no stimulus to aggravated nationalism so strong and persistent as the existence of unquestionable *terra irredenta*. If, for whatever reason, territory should be transferred from within the boundaries of pre-Nazi Germany, there should also be a transfer to Germany of the German inhabitants of such territory in order to prevent the development of new minority problems.

There seems every reason, however, to permit and even to foster separatist movements within Germany. The division of Prussia into several provinces, and the organization of Germany on a federal basis, with substantial autonomy for the provinces (and with none large enough to dominate the federation as a whole), should be encouraged and perhaps even demanded by the controlling Powers. Strong centralization in the formation of policy and in administration is conducive to militarization, whereas decentralization is an obstacle to it. As Germany is permitted to regain the right of self-government, her governmental institutions should meet the minimum requirements of political democracy: legislatures elected by adult suffrage and secret ballot, executives removable either by the legislature or by the electorate, freedom of press and of discussion, and an independent judiciary. There should be a period of disenfranchisement and of ineligibility for elective office for specified categories of persons with Nazi records.

It will never be wholly safe to relieve Germany of external servitudes unless the German people acquire more modest attitudes with respect to their rightful place in the world and more pacific views as to the propriety and expediency of the use of force as an instrument of national foreign policy. These new attitudes can come only through the reëducation of the German people — both through the formal machinery of the educational system and as the result of reflection on the subject of Germany's past experience and present plight. I am wholly skeptical of the administrative practicality or the effectiveness of extensive foreign intervention in the process of German reëducation. The Germans will have to learn for themselves the errors of their past ways. Any attempt to impose wisdom upon them will tend to cast a patriotic halo over the old doctrines. We can properly insist that the adminis-

trative and teaching personnel of the schools and universities be purged of all persons with Nazi records; we can base decisions as to the relaxation of external controls in part upon periodic appraisals of the political content of textbooks and other teaching materials used in the schools; and we can require that the German press be free from German censorship. But that is probably all that can profitably be attempted from outside.

IV

A third phase of the problem of the treatment of Germany is the question of restitution and reparations. There will be no dispute that, in principle, all German loot from occupied countries should wherever practicable be restored to its rightful owners. In some cases, as, for instance, where central bank gold reserves or treasures from museums and art galleries were appropriated by the Germans and carried to Germany, the application of the principle will encounter no difficulties. Other administrative problems, such as location of the loot and identification of the rightful owners, treatment of transfers of property to Germans where the transactions were — in fact or appearance — routine commercial transactions, disposal of assets where the rightful owners cannot be found, adjudication of rival claims from different Allied sources, etc., will in many cases present nice legal issues. More important as a possible source of dispute between claimants for restitution will be the question whether German articles shall be demanded to replace stolen things which cannot be located, or which have been damaged or destroyed. It would seem expedient that claims for restitution of equivalent articles should have priority over reparations claims. This may be objected to by the relatively poorer invaded countries, since the recoverable loot found in Germany will probably prove to be of disappointingly small dimensions and to consist mostly of booty from the richer invaded countries. A working compromise may be that restitution of the identical articles stolen shall constitute a claim prior to reparations proper, that second priority shall be given to restitution of equivalent articles, and that reparations for war-damage shall rank last.

I dealt with the problem of German reparations in an article in this review two years ago.¹ There is nothing in that article which I would now want urgently to withdraw if the date of its writing were kept in mind, and I must refer readers to it for my general

¹ "German Reparations Once More," *FOREIGN AFFAIRS*, July 1943.

views on the subject. Since then, an Allied Reparations Commission has been set up, and it apparently has been agreed that cash reparations should not be demanded. Developments since 1943, however, have brought changed emphasis on the capacity of Germany to pay reparations even in kind. The havoc of war has been much greater in Germany than could then have been foreseen, and the political and social disintegration will be such as inevitably to delay the period when the German economy can again regain a high level of productivity. Given the general agreement that the process of reparations payments should not be long drawn out, there has resulted an increased emphasis on the possibility of substantial reparations payments in the form of German labor instead of in cash or commodities.

Since Germany will be sparsely provided with raw materials and much of her productive facilities will be in ruins, there will be surplus German labor. Some of the formerly occupied countries will have superior access to raw materials, through import and perhaps aid from abroad, and this will make it possible for them to use effectively large numbers of German laborers in reconstruction. There would incidentally be a benefit to Germany in the resultant lessening of her unemployment and food problems.

Rumors that German reparations labor may be conscripted and put to work under compulsion have properly given rise to serious misgivings. The struggle of labor through the centuries to escape from serfdom has made compulsory labor a symbol of degradation in the western world, and resort to it except in great and transitory emergencies should be repulsive to all who still find value in the great liberal tradition. There is a general belief, however, that it is Soviet Russia which is insisting upon compulsory labor of Germans. This leads some writers who no doubt make claim to the "liberal" label to tell us that compulsory labor is not evil if it is practised in non-capitalistic countries. "Words," we are told, "should not intimidate us. Compulsory labor is not always slave labor."² But "slave" is not the only ugly word that can be associated with labor working under duress. "Compulsory labor" has an ugly enough sound of itself, to say nothing of "serfdom," the "corvée," or the "chain-gang." Even if we should succeed in finding pretty words for the ugly deed, how long would we remain content? The story is told of a good abbot who, tempted on a Friday by a nice slice of venison, solved the issue of

² A. Yugow, "Shall German Labor Rebuild Europe?" in the *New Republic*, May 7, 1945.

conscience by saying: *Je vous baptise carpe*. But he probably had nervous indigestion next day.

For Germans fairly tried as war criminals and found guilty, compulsory labor as a penalty for crime errs, if at all, on the side of moderation. But if the rank-and-file of Germans are to provide the reparations labor, then either they must do it on a voluntary basis or the democratic countries at least should completely disassociate themselves from any participation in or sanction of the process. A strong case for compulsory labor cannot be made on any grounds. Such labor is notoriously inefficient, and the element of force tends to brutalize those exercising it as well as to degrade those subject to it. It cannot be claimed that no practicable alternative will be available. Living conditions in Germany will be hard and jobs scarce. If reasonable pay and decent working conditions are offered, and assurance is given to the laborers that, subject to reasonable limitations, they will upon request be returned to Germany, there should be no shortage of volunteers. The wages could be in part in German currency, to be paid by the German Government as part of its reparations bill; and the wage-rates could be adjusted by categories of workers so as to be effective in recruiting the various types of skills in the desired quantities. At the very least, the voluntary method is entitled to a fair trial before resort is made to compulsion.

v

The fourth and last phase of the problem of the postwar treatment of Germany to be dealt with here is the question of the institutional and procedural arrangements by which the policy of the Allied nations is to be made effective. Important agreements in this connection have already been reached by the major Powers. With respect to reparations — and presumably also restitution — the Allied Reparations Commission has already been established to consider the question of the extent and methods for collecting such reparations. This Commission will supposedly also be charged with the administration of the process of collection and with the allocation of reparations among the claimant countries. With respect to the administration of Germany itself, a four-power Allied Control Commission is to have central responsibility for all of Germany as soon as military government can be dispensed with; and it in turn will presumably act on policy instructions drawn up in the European Advisory Commission, which has been meeting for some time.

Obviously this setup is very elaborate, with abundant possibilities of overlapping; yet there are still other agencies to be created, and the relationships of all of these agencies to the overall security organization and its subordinate institutions also remain to be worked out. There surely is real danger that this administrative network will be overwhelmed by its own complexity. Harmony of interest and a will to collaborate on the part of the controlling Powers will be essential if the entire program is to succeed. But skill in framing the administrative design is likewise needed.

The administration of the affairs of a modern state by its own government is even in normal times a formidable task. The administration of a devastated and disorganized Germany by the improvised agencies of several foreign states is a task which will put the capacity for statecraft of the controlling Powers to a severe test. If the test is to be met successfully, the planning must proceed, not in terms of how many aspects of German life we can regulate, but of the minimum program of interference consistent with attainment of our major objectives. If we do not concentrate on essentials, limit ourselves to key controls with respect to these essentials, and give the agencies clear lines of policy and full authority to execute them, the whole program of Allied control of Germany may be strangled in multinational red tape.

The greatest danger of all, however — that the control of Germany will either collapse prematurely or will operate to no good purpose — arises out of the plan to divide Germany into three or four zones, each to be administered by a different Power. This, in my view, will inevitably result in greatly complicating the task of coördinating administration throughout Germany, and, what is worse, will aggravate the difficulty of harmonizing the policies of the Great Powers toward Germany. Each of the controlling Powers has different economic, political and territorial interests with respect to Germany. Each of them has different notions of legality, of administrative efficiency, and of the proper limits of state authority over the individual. These differences will tend to reveal themselves in the way the controls are applied in the respective zones, even if the instructions which are given to the administrators are identical for all the zones. The proposed zones, moreover, have no relationship to any *German* regional pattern of political or economic interest. They may promote — perhaps are intended to promote — a dismemberment of Germany, but

they will obstruct rather than favor the voluntary federalization of Germany.

Condominia have notoriously bred inefficiency and friction in the past. The proposed zone arrangement in Germany may be even worse, for it provides for a condominium at the top and puts four nationally-distinct staffs in charge of four separate regions underneath. It thus calls for the maximum coördination of policy and sets up the weakest possible machinery for attaining it. It may be said that the Allies fought the war with much the same administrative arrangement, and that it worked. In warfare, however, the singleness of objective simplifies the task of formulating policy: everyone is aware of the immediate and unambiguous consequences of failure. No such constant stimulus to coördination of policy and administration is present in civil affairs.

Of course, none of the Powers involved wanted to make the task of controlling Germany difficult. Given failure to agree on policy, and on the delegation of authority to a joint agency, this complex machinery was presumably the only alternative. The need for agreement on policy is not removed thereby. But it is postponed, and this is at least better than open disagreement. While it would be easy to draw a picture of the possible results in the most somber colors, the fact remains that there are no international problems which are inherently incapable of solution through the wise exercise of statesmanship. We must pray that the supply of such statesmanship will be adequate to the need.

CARTELS, PATENTS AND POLITICS

By Walton Hamilton

A WAR blurs the perspective of the social revolution within which it is set. Today a military façade conceals a great revolutionary movement. Thus a handful of phenomena reveals a culture in violent transition. The balance of power has become a term which no longer makes political sense. It is difficult, without an accent of the archaic, to talk of the sovereignty of small countries. New variations are being written to the old theme of the Polish question. It is impossible to assign the nations of the Balkans, the Near East, Latin America to sharp political categories. Portugal, with second-rate facilities, has come to be an important trading center. The Swiss merchant marine, without benefit of a national port, has for some years been sailing the seas; Switzerland, surrounded by an uncompromisingly militant Power, has kept her independence intact. Holland, in terms of downright fact, may be defined as a gigantic holding company fitted out with the attributes of sovereignty. The patent, through the license by which the invention is put to work, has come to be one of the most important of international controls. Each of these facts — and a hundred like them — has implications which bristle with meaning for the future of culture. Discover the significance of such strange phenomena and a measure of clarity is brought to the current scene.

The international trade in legal documents is a neglected aspect of the truce which prevailed between the two wars. The obligations of contract, corporate equities of assorted kinds, rights to the use of technical processes cross the frontier and leave their impress on the industrial pattern. Yet no official record is kept of their kinds and quantities; there are no statistics of import and export. Few public officials or business executives at the time of the last Armistice visualized such a traffic as one of the economic consequences of the peace. None seems to have anticipated the volume and importance of this commerce in intangibles. Yet, a direct result of the Treaty of Versailles, it was the economic answer to the autarchic trends let loose there. It represents the accommodation of business — in general, big business — to a world cut up by political frontiers.

The era between the wars, still far less known to us than we love to think, was marked by two opposing trends. The one, the

impulse toward nationalism, has been often recited. The other, the counterrevolution staged by business, is far less known. At Versailles the idea that a people had a right, ordained by nature and nature's god, to shape its own destiny was a moral principle. And, with little critical discussion, it was taken for granted that the political state was to be the instrument of popular salvation. The usages, realities, urges of the system of business enterprise were little taken into account. Even then it was too late for a Great Power like Great Britain or the United States to maintain a national economy complete to the last non-essential commodity. To attempt to operate industrial systems all their own, France, Sweden, China, Italy, Japan had to cover deficits in resources with a lot of make-believe. Lesser nations could do no more than strut a fictitious sovereignty they were without power to implement. The result was a serious clash between the dynamics of industry and the political structure of nations.

As culture, commerce, science impelled the creation of a larger community, the hold of nationalism tightened. The industrial system had already become a weapon in the hands of the state at war; and with the return of peace, every country little or big set out to create a self-contained economy. Embargoes were decreed; tariff walls erected; currencies nationalized and blocked; the taboos of boycott hurled against the alien and his goods. A stimulus was given to discovery and invention, especially among the have-not nations. An attempt to make inferior materials do the work of superior ones created an age of synthetics. But, try as it would, the magic of man's mind was not up to the job of fitting out any old state with an economy all its own. The result was the denial of the advantages of commerce, the statesmen's creation of scarcity, the condemnation of peoples to poverty.

Thus the spirit of autarchy turned a legacy into a menace. In its early days the political frontier had done no harm. It testified that leet, manor, burrough, market town had been caught up into the larger unity of the realm. The stuff of life came from hard by; however small a state was, it was larger than the territory from which the folk drew their livings. And if the upper classes demanded luxuries in accordance with the stations to which they had been appointed, the customs acts interposed little of a barrier. Every gentleman had his smuggler; and laws were enforced with the conscientious laxity essential to that leeway without which an honorable trade could not perform its legally forbidden function. As the first industrial revolution introduced

the machine-process, established factories remote from places of use, and converted petty trade into the great industry, little damage was done, for its coming was attended by the most characteristic of nineteenth century procedures, the sharp separation of state and economy. Great Britain, which had the jump, went in for free trade. The United States had a continent to exploit and its tariffs were of far less public concern than the hullabaloo over them would seem to indicate. The rest of the world needed cheap fabricated goods which it could not afford to make. So long as laissez-faire prevailed, business was relatively free to go where it would. The political state might be of diminutive size; yet from Waterloo to Sarajevo, its economy was little pent in by artificial boundaries.

The turn came with the Armistice; in the wake of Versailles economies began to be cut to the size and shape of political states. Business enterprise was made to conform to a neo-feudal map, now newly revised. The transition to the new order was abrupt. The political frontier, at most an obstacle to be overcome, suddenly came to be a stubborn and dominant fact. Business, for better or worse, is committed to the pursuit of gain; its quest of profits carries it wherever markets are to be had. Just as a corporation of Delaware or Nevada operates in other states, so the chartered company of England, Panama or Sweden seeks to invade other countries. The political frontier becomes, not an arresting wall, but a challenge to invention. In commerce, as in nature, accommodation is the law of life. In the 20 years between the wars, business enterprise did not surrender to the dictates of a rigid nationalism. It adapted itself to, rather than accepted, an unfavorable habitat not of its making.

The materials are still too scanty for it to be possible to recite in detail the story of the counterrevolution. It was a movement alike of foresight and fumbling, of playing by ear and discovering that the music was in tune. If high tariffs kept the export of consumers' goods from being worth while, trade was driven to the export of producers' items. Thus Germany, instead of sending finished drugs abroad, exported only the rare ingredients and had the medicines compounded in the country of sale. And thus American companies, instead of importing albums of classical music, had symphonies recorded abroad, imported the matrices and pressed the records here. It is but a step from producers' goods to the apparatus of production itself. If markets could not go to the factories, the factories might be made to come to the

markets. So the export of capital tended to replace the export of commodities; merchants sent their ownership where they could no longer send their wares.

If applied science had been at a standstill this might have been the end of the matter. But the tide called "the second industrial revolution" was coming in strong. As physics and mechanics had been domesticated in the late eighteenth century, so industry now was making captive biology, metallurgy, electronics, a whole series of chemistries. The advance of the sciences was recorded in a stream of patents. Rights in the useful arts came to be bought and sold; and, since tariff acts were as yet little concerned with intangibles, a flood of equities — divorced from the physical movement of goods — was easily thrown across the political frontier.

It required, however, the invention of a new form of commerce to surmount this frontier. Among the miracles of the second industrial revolution was mass production. A commodity fabricated in quantity at a strategic center could be bought and used by a widely scattered multitude of people. But mass production depended upon mass consumption and mass purchasing power. The United States afforded a market broad enough to give full play to the new technology; the Balkans, the Near East, Latin America, cut up by trade barriers, did not. Although intangibles, such as corporate equities and rights to industrial processes, might flit hither and thither, an autarchic nationalism decreed that the physical goods should be produced at home. The larger sales area demanded by quantity methods was broken down into a series of small provincial markets. For each producer to establish a factory in every country he served was to sacrifice efficiency. If home production could not be escaped, multiplication of facilities could. It was easy enough for rivals to see the advantage in a division of territories. In contracts, conventions, "treaties" — as they are called in the international language of business — between the dominant firms in an industry, political frontiers became boundary lines between proprietary market provinces. This is not to say that the nationalistic orgy of the twenties and thirties is the mother of all cartels. The disposition of business to coalesce by industries into huge international combinations is a product of too many impulses to be so simply explained. But autarchy accelerated a trend long in the making.

One further factor was capitalized by business in its strike-back. The managerial group, intent always upon its own advan-

tage, prefers to carry on within the tolerance of the law. From the days of primitive man, monopoly has been odious; a combination of rivals to divide or to control the market smells strongly of "conspiracy." In promoting the commerce in intangibles, it was desirable — if legal artistry could be made to turn the trick — to be able to harness the law of the land to the ends of business. Accordingly the search turned to the discovery of legal devices with which to convert a curse into a sanction. Among the most ingenious of these was the transformation of the ancient writ of letter-patent into a warrant for the private government of an industry. So brilliant — and ominous — an achievement demands recitation in some detail.

II

If the intent of the Fathers, in giving Congress the power to reward invention with an "exclusive right," was to sanction private cartels a century and a half later, the records of the Convention make no mention of it. To the contrary, the Constitution itself sets down the power conferred as "to promote the progress of Science and the useful Arts." Although the grant was well known, the term "letter-patent" does not occur in the Constitution. Instead the inventor was for a "limited time" to enjoy an "exclusive right" — however the Congress might define it — in his invention. The privilege was to be instrumental to the general objective of technical progress. The grant was to be prod and bait to the man of talent to come across with something new and different.

An institution, like the heart of man, may go astray. A line engrossed on parchment may be diverted to a purpose it was never intended to serve. It is the nature of business enterprise to convert whatever is handy into an instrument for the pursuit of gain. To sanction a writ of monopoly in an economy which is to operate as a system of free enterprise is dangerous business. And, even if the glorious purpose is the progress of science and the useful arts, the hazard remains. The curious mind, or the mind made curious by money-making, is certain to ask how far the exclusiveness can be made to extend; how many activities the right can be made to cover. The inventor, at least the starry-eyed inventor old style, would have been too intent upon his "projects" to have gotten far with such questions. But the law has allowed them to be put by deputy on behalf of his modern successor. It permits the letter-patent, which had to be taken out by the "first, sole and true" inventor to be "assigned" to a

person, natural or corporate, who will — or will not — “work it.” Today the great mass of grants are taken out by technicians working in the laboratories of large corporations. The fact of assignment is revolutionary; it removes that patent from the inventor’s to the executive’s world. Its use is then no longer attuned to the folkways of science but to those of business.

At once the letter-patent, the supposed spur to technical progress, becomes the instrument of business policy. A host of moves are made to enhance its pecuniary value. The letter of the law says that the grant shall run for 17 years. If the date of the grant can be deferred, the expiration date will be moved forward to correspond. To let lie, to discover mistakes which must be corrected, have been worked up into an art of procrastination. The right which is exclusive must be given the largest possible area in which to operate. In the application the novelty is elaborated into a large number of claims; the language, forsaking alike simple English and good science, becomes a polysyllabic and legalistic jargon. The so-called invention is not accurately defined; the technical boundaries of the privilege sought are deliberately left indefinite in order that it may carry rights to whatever it may later be made to cover. A new process may find expression, not in one patent, but in a series of them.

The corporation-owner is always beset with a dilemma: whether to try to keep the invention a trade secret, or to obtain legal protection through disclosure. Faced with a necessity of choice, the shrewd and experienced executive takes both precautions. Enough is revealed to secure the grants asked for; so much is held back that an outsider cannot obtain from the letters-patent sufficient knowledge to work the invention. To this end an ingredient may be wrongly named; a temperature may not be exact; claims may overlap; gaps may be left between separate grants. The frequency with which the term “know-how” is used in connection with these matters attests the width of the gulf between disclosure and practical application.

All of this indicates that, to a corporation, its “patent position” is a matter of grave consequence. Upon the maintenance — or the improvement — of this patent position much effort is expended. The patent runs for only 17 years — and the corporation, whose existence knows no such life-span, demands a protection far more enduring. The “improvement” is itself subject to patent; and, as the “basic grant” expires, three or four fresh writs are likely to be there to take its place. As invention

runs thin, numbers make up for a dearth of novelty and through the "chain patent" a continuity is given to the legal sanction. In respect to the telephone, shoe machinery and the recording of music, the foundation patents expired several times 17 years ago. But by piling improvements upon improvements upon improvements, these processes of production are more adequately guarded today than ever before. A number of companies, beginning with a mere fistful of patents, are now able to cover their production processes with thousands. How good any one is, whether the "portfolio" as a whole will stand up, are questions which only the courts can answer. But the sheer volume of writs which can be thrown up as a defense makes a bout at law rather uninviting to the challenger. In fact the big idea is, by a multitude of grants, to blanket a whole technology. The "arsenal" is as useful for offense as for defense; it puts the corporate owner in a position to say, "You cannot come into this industry save by my leave."

To such an end a simple legal device has been artfully elaborated. The owner of a patent is not compelled to work his invention himself. He may, if he will, "license" others to use it. He may issue an "exclusive" license to a single concern; he may, if he prefers, issue "non-exclusive" licenses to all who meet his terms. In granting a license he is free — that is within the tolerance of the law — to impose his conditions. And here, under the dominance of business urges, the most distinctive of institutions has been erected; for the patent owner can make his license an instrument of coercive control. He — person, corporation, the collect — decides who may and who may not make use of his arsenal of inventions. If, as is often the case, there is no rival technology, his license is a franchise to enter the industry. The owner of the patent can specify what products his licensee is to manufacture, in what quantities they are to be produced, within what areas they are to be marketed, at what prices they are to be sold. The relation of patent-owner and licensee falls into a kind of feudal formula of lord and vassal.

Although in form it rests upon contract, in fact it is enduring. For the license comes to be divorced from any particular patent. It usually carries the right, subject to a series of conditions, to make use of all the patents owned by the licensor which are needed to manufacture the permitted products. It thus comprehends the right to use patents not yet granted and even inventions not yet made. It is thus made to run, not for 17 years, but for 30 or 50 or until "notice of termination" is given, or indefinitely.

The license thus becomes a sanction upon which a private government for an industry can be rested. In the United States — and in many other countries — it is against the law for a group of competitors to combine or conspire to manipulate the market. The letter-patent, issued by the Government, is widely employed as a warrant with which to legalize a united front among the gentlemen of a trade in the making or selling of a ware. The owner of a patent for a process by which food products are impregnated with a certain vitamin has created an ingenious patent structure. One concern is granted the right to its process in respect to raw breakfast foods; a second, in respect to cooked cereals; a third, food for horses, mules and asses; a fourth, food for cows used in the production of “fluid milk” only; a fifth, food for cows whose milk is to be processed as surplus; and likewise through the succession of dogs, cats, wolves and white mice, and so on down the gradations of the animal kingdom. An elaborate code governs the conduct of all these licensees; their factory capacities are specified; their production quotas set; their respective markets assigned; their prices fixed. If a quota is exceeded, a fine has to be paid. If the code is violated, a first offense may provoke only a grim warning; if it is repeated, or threatens to become a habit, the patent-owner — or the closed industry itself through its government — can bring into action what is in effect its own police. Its offending member has done what his license has not given him permission to do. He is haled into a public court and there sued for infringing patents. The occurrence is rare; captains of industry respect their obligations of contract; if men lack honor, a threat is customarily enough. The result usually is that the grants operate as if they were valid without ever being put to a judicial test. And the private government clicks with a precision to which no political state can aspire.

Such a domestic model is neatly adapted to foreign commerce. Although there are “conventions” upon the subject, there is at law no such thing as an international patent. Yet the ingenuity of business — and of lawyers — has contrived a substitute which really does just as well. A patent — most often a portfolio of grants — is taken out in every country in which a corporation, or a cartel of corporations, does business. The grants are written in as nearly the same terms as local statute will allow. Identity is, however, a secondary matter; the main thing is to fasten a grip which the law will respect at the strategic points of a useful art. The result is an exclusive right in the technology wherever

the goods which emerge from the patented process are to be sold. Then at the pleasure of the patentee licenses can be assigned to a series of companies to operate in various countries. Or, instead, a number of separate corporations may each take out a series of patents in all countries where buyers are likely to be found. Companies which wish to employ rival technologies are faced with the prospect of a protracted struggle in the courts to determine what patents are valid, and what companies have the right of lawful access to markets. From so costly, vexatious and uncertain a campaign at law all parties are likely to shrink. A settlement is usually made by which each of the strong issues licenses to all the others under its patents. The weak have to accept what is offered. Exclusive areas of sale are, of course, assigned; and good neighbors are counted upon to respect each other's preserves. A single corporation or a group of corporations is in command of an industry.

The single control is the thing; whether of monarch or oligarchy does not matter. In either case a political order emerges, distinct from the state and resting upon a series of license agreements. In either case the private government is international in character. Gentlemen, considerate enough of each other to reconcile their patent claims, are not likely to quarrel over markets. A contract, convention, treaty is solemnly entered into and scrupulously observed. Like the kindred domestic instruments, it is to all effects a constitution for the regulation of an industry. It is almost certain to specify fields of production; it usually sets up barriers against export; it may or may not specify capacity and output. Almost without exception it assigns exclusive marketing provinces to the several companies; it elaborates guarantees against any member encroaching on another's territory. In such an assignment the various nations are parceled out as if they were proprietary demesnes. If, however, there is trespass, the offender is brought before a public court for patent infringement.

Thus the autarchic state has been accepted as a fact of life. A commerce truly world-wide in character is fitted to the rigidities of an outworn political map; the national frontier is converted into the boundary line between marketing provinces. The pursuit of gain has adapted itself to a highly artificial habitat.

III

In the era between the wars the national frontier was the great fault line in culture. It remains as the neglected creation of a

crisis in history. The political map, however neatly the boundaries are drawn, is a product of another age. The economy, under the impulses of a continuing revolution, refuses to be pent up within a series of circumscribed areas. Its dynamics are forever beating upon the barriers placed by the state in its path. The statesmen of the nineteenth century were wise enough, if not to abolish, at least to sterilize the frontiers which held it in leash. The statesmen of the decades just closed have attempted to vitalize obsolete boundaries. In the Victorian age politics accommodated itself to business enterprise, but in the period between the Roosevelts the economy had to make the adjustment. Yet iron walls of tariffs and blocked currencies have not held back industrial forces; they have done no more than transmute foreign commerce from physical goods to legal documents. It was the equity in the corporation, the obligation of contract, the right to technical process which, as intangibles, went where material things could not go. Though the state did not control the traffic, all this had not been left to laissez-faire. It has been subject to an elaborate scheme of private control. In the process business has not displaced the state; rather trade has created its own politics of industry. Business has done this by turning to its own account sanctions which the state uttered for another purpose.

In the years between the wars this trend was denational rather than international in character. Its dominant note was an emancipation of corporate enterprise from national ties. For decades the usages of the economy have been moving that way. Shares of stock are sold without inquiry as to the citizenship of seller or buyer. A corporation, engaged with petroleum, chemicals, light metals, operates under many flags and possesses securities widely held. An honorable company chartered in Delaware, Nevada, Brazil, Sweden may be owned and operated by persons foreign to its native state; it is only nominally a national of its own country. A corporation, created by the State of Virginia, may possess subsidiaries whose corporate life derives from Iran, Italy, Mexico, Switzerland. A group of aliens may operate as an American corporation; a group of Americans may do business here as a foreign corporation. Any lawyer with no more than routine ingenuity can devise ways of avoiding any requirement of domesticity a statute may impose. The cloak of a friendly country or of neutrality can be thrown about any corporate property, even when ultimate ownership rests with the enemy.

The corporation, operating in more lands than one, has tended

to denationalize all it has touched. Our own corporations exchange laboratory notes with their peers abroad; it is often a mere matter of choice whether a patent is taken out in the name of an American, a Briton, or a German. Markets, and the harvests they yield, are the ends of business enterprise. Wherever on the face of the earth they lie, the nationalistic credentials essential to access are easily obtained. The pursuit of gain is an urge pure and undefiled. A national loyalty running along with it, as when war contracts are to be had, will burn brightly; when corporate and national loyalties clash, an allegiance to one's country imposes a serious strain. If in ownership, operation, managerial personnel, a corporation is of many countries, it will not avidly disrupt a far-flung organization as a sacrifice to the national state whose nominal creature it is. Politics is an inescapable nuisance to it; in the documents the threat of a military front across the corporate imperium is referred to as a "specified event" against the dangers of which measures must be diligently taken.

Although the accord between large corporations is a creation of business, it is affected with a political interest. As we have noted, its private controls invade the field of public regulation; it tends to substitute its own dominion for that of established government. In a rationalized industry a minority may be left at the mercy of the majority; the member who rebels at restraints imposed upon him may not dare to go to court for fear of reprisals. A clause in contracts or treaties often compels all who sign to submit disputes to arbitration. Judgment then is rendered by reference to the code of the industry, not by the law of the land, and questions of the public interest can be avoided. Tariff rates may be made to guard market provinces. The suit for patent infringement may be made to police agreements providing for a division of territories. The operation of our reciprocal trade pacts is impeded — or even rendered nugatory — by private agreements as to corporate spheres of influence.

Such arrangements are of concern to the political state, although they are not of its making. In peace as in war the national economy is the instrument of the people. These larger corporate accords carry power to shape that instrument. At this point variety in political theory comes into the picture. We of the United States are not accustomed to regard the state as architect to the industrial system and hence have never attempted to supervise the bargains of our corporate nationals with their fellows overseas. Although the regulation of foreign commerce is

entrusted to the Congress, "treaties" between corporations domestic and foreign, which in reality impose a pattern upon such commerce, are not submitted to the Senate for ratification. In Great Britain, however, a practical working arrangement is maintained between the mercantile interests and the Board of Trade. And in dynastic states, like Germany and Japan, the Government seeks to impose its own ends on such agreements. As a result, contract, convention, license agreement become media through which the will of a "tough state" is imposed upon the industries of a weak one. It is an instrument of economic warfare, designed to create weakness in the potential enemy.

A discussion like this, which concerns a single aspect of patents and cartels, falls short of an answer to "the cartel problem." The case for the cartel has been often recited. It dwells upon the "insanity" of an overdone competition; points to industry as a field in need of law and order; stresses the efficiency and economy of a well-ordered trade. Unfortunately the argument breaks off just when the going begins to get hard. It leaves unanswered the question of how the public interest is to be protected in a private monopoly. It fails to suggest a dependable substitute for the incentives offered by free enterprise. It suggests no adequate safeguards against the routine and bureaucracy into which all human institutions are prone to fall. It provides no insurance that the urge to break new paths, without which there can be no progress in the useful arts, can be kept dynamic. In short, it fails to indicate how a closed industry can be an instrument to an advancing society. And if all the urges and checks essential to the maintenance of a free commerce must be imposed by regulation, the socialization of industry may well appear more attractive by comparison.

But whatever the clash of ultimates, the immediate problem is clean-cut. The cartel represents an attempt to regiment industry to conform to the political pattern of autarchic states. A union of autarchy with a corporate political order is a serious hazard to the democratic state. The first step is clearly to sterilize the political frontier; to remove the barriers which hold industries to narrow and artificial markets; to tear down the dams which hold back the turbulent forces of an expanding economy. If that is done, the world may become a less favorable habitat for the politics of industry. If, however, tumultuous industry is to continue to beat against obsolete national boundaries, mankind — in a world of scarcity susceptible to war — must take the consequences.

THE BRITISH COMMONWEALTH AS A GREAT POWER

By H. Duncan Hall

PEACE depends on the Great Powers. But the Great Powers are all enigmas. And who will dare to predict the future of an enigma?

Let us take them one by one — the five Great Powers of the United Nations Security Council. Who can say how many decades or generations China will require to achieve stable national government and the high degree of industrialization necessary actually to make her a Great Power? What can one predict of France's future, of her recovery of inner stability and the rebuilding, as after 1870, of her power in the "French Union" of Greater France? Russia is doubly an enigma. The absence of government by public discussion means a statistical blackout, so that what she is producing, or is capable of producing, must remain unknown to the world. Nor is it possible to foretell the development of her political system, or of her foreign policy. For the United States there is no lack of statistics of all material things, but we know little of the human forces which elude capture within any net of numbers. We do not know whether the United States can solve the vast economic problems of production and distribution in a free society. Nor on the international side do we know whether she can overcome the vice of free peoples, of which President Monroe warned Congress in 1822 when he said: "It has been often charged against free governments . . . that war will always find them unprepared, and whatever its calamities, that its terrible warnings will be disregarded and forgotten as soon as peace returns."

If these four are enigmas, should we not say, paraphrasing a famous remark made in a different connection, that the Great Power which is the theme of this article is a mystery wrapped in an enigma?

II

First, what is the Great Power with which we have to deal? Is it Britain, or the British Commonwealth? If it is Britain can she survive as a Great Power with all her industries at point-blank rocket and robot range? If, as we must assume, she takes all the insurance, including duplicate underground installations, neces-

sary in a world of secret rockets, mass produced in unknown numbers, can she achieve the 50 percent increase of her prewar export level necessary to pay her debts and to enable her people to live at not lower than the prewar standards? And can she consummate that full partnership with the dependent Empire, step by step with the advancement of self-government, which is the goal of British policy?

Or if the Great Power is not Britain but the British Commonwealth of Nations, just what is this Commonwealth? There will always be those who approach the facts from a purely legal angle. In this case they begin with an examination of "Dominion status" and attempt to explain it in terms of the traditional categories and assumptions of international law. They naturally find little but negations; while those who approach the Commonwealth as a problem of politics and of the interplay of human forces, find instead one of the greatest and most fascinating institutions of world history. Thus a Canadian constitutional lawyer,¹ having looked carefully into the law, finds there only one solid substance: namely, Dominion independence. His search of the law discloses that the British Commonwealth is apparently without legal substance, though it still seems to possess a wraith-like existence which shadows the clear waters of independent statehood. So there is a call for argument to demonstrate that the shadow does not really affect status, sovereignty, rights of neutrality and of secession, and all the other so-called "positive" elements of sovereign independence. "The British Commonwealth of Nations," he finds, "is not a state. . . . The name is merely a convenient way of referring to a particular association of nations. . . . It belongs to the category of collective names such as the 'Pan American Union' or 'The United Nations.' " Any "surviving unity" of the Commonwealth is merely "a remnant of a much greater unity and not the result of an effort toward a new and closer association."

Estimates in the United States vary between Professor Shotwell's dictum in "The Great Decision" that the legal and political changes since 1919 have made the British Commonwealth of Nations "little more than a mystical expression of spiritual affinities," and Wendell Willkie's view of November 17, 1943, that it is "the most exciting experiment in international democracy the world has ever known." In saying this he can hardly

¹ F. R. Scott, "The End of Dominion Status," *American Journal of International Law*, January 1944.

have thought that he was referring only to a mystical entity.

Moreover, we are confronted with the fact that the President of the United States, the Secretary of State and the lawyers of the State Department have the habit of referring to the British Commonwealth in legal proclamations, messages to Congress and other formal texts issued on formal occasions. The official notification to the Powers regarding safe conduct for the exchange ship *Gripsholm*, issued by the Secretary of State on August 31, 1943, begins: "To all to Whom these Presents shall come, Greeting: I the undersigned, Secretary of State of the United States of America, hereby inform all whom it may concern that the Governments of the British Commonwealth of Nations, the Union of Soviet Socialist Republics, the Netherlands . . . have conveyed to the Government of the United States . . . their assurances of safe conduct for . . . the *Gripsholm*." ² The presentation of letters of credence is likewise an occasion for careful language. The President in accepting the letter of credence presented by Sir Frederic Eggleston on November 14, 1944, twice referred to Australia as part of the British Commonwealth of Nations.³ Further, the President's Twelfth Report to Congress on Lend-Lease Operations ⁴ contains no less than ten references to the British Commonwealth of Nations. The Report states that the British Commonwealth made expenditures, and presented statements and reports on reverse lend-lease assistance to the United States. Similar references are to be found in formal joint statements issuing from Anglo-American war conferences. For example, the joint statement issued at Quebec on August 24, 1943, refers to "the war effort of the United States and British Commonwealth and Empire."

III

Is the British Commonwealth just a "collective name" or is it a Great Power? It is referred to repeatedly as a Great Power in the speeches of its leading statesmen, with the exception of Mr. Mackenzie King, Canadian Prime Minister. Lord Halifax in a speech at Toronto on January 24, 1944, from which Mr. Mackenzie King expressed dissent, put forward the thesis that, "Not Great Britain only, but the British Commonwealth and Empire must be the Fourth Power in that group upon which, under

² State Department Bulletin, October 16, 1943.

³ *Ibid.*, November 19, 1944.

⁴ House Document No. 353, Washington, 1943.

Providence, the peace of the world will henceforth depend." Mr. Churchill has said the same thing in different words and so has Mr. Anthony Eden and many other British statesmen. Field Marshal Smuts in the South African Parliament on March 30, 1944, spoke of the "three Great Powers" as "the United States, Russia and the British Commonwealth." He has used the phrase a number of times in different forms in this and other speeches. He did not mean that the Commonwealth was one state under one direction, but rather a family group of free, independent, sovereign states with such a spirit of unity and identity of purpose that it functioned as a Great Power. The Australian Prime Minister, Mr. Curtin, has often spoken in the same strain. In addressing the Canadian Parliament on June 1, 1944, he used exactly the same formula as General Smuts above. Similar phrases are common in New Zealand. Mr. Walter Nash told British members of Parliament on February 29, 1944, that the question which British Commonwealth Foreign Ministers should put to themselves is not "What are the relations of New Zealand or the United Kingdom to China or Russia, but what are the relations of the British Commonwealth?"

As mentioned above, Mr. Mackenzie King condemned in the Canadian Parliament on January 31, 1944, the views of both Lord Halifax and General Smuts. He took the view that references to the British Commonwealth as a Great Power, and General Smuts' idea of bringing the small democracies of western Europe into close association with the Commonwealth, implied a power bloc, and were based on "the idea of inevitable rivalry between the Great Powers." He disliked the idea of "a common foreign policy" for the Commonwealth. He wanted the Commonwealth to have an inclusive and not an exclusive policy. Yet the difference of view seemed more apparent than real; for Lord Halifax's idea was not a common policy expressed by a single voice but "by the unison of many," while General Smuts had suggested not a balance of power but coöperation between "a trinity of equals" — the Big Three.

Whether there is much more in all this than a dispute about words is not clear. The fact that Canada is the most secure of the Dominions did not prevent her from springing to arms in 1939 without waiting on the United States. When it comes to an appreciation of the part played in the past by the British Commonwealth, and still to be played by it in the future, the views and feelings of the Canadian Prime Minister do not differ much

from those of all the Dominion Prime Ministers. After the meeting of the Prime Ministers of the British Commonwealth in London, Mr. Mackenzie King told the Canadian Parliament on May 22, 1944, that the Commonwealth was as closely united as it had ever been. "I was never more proud," he said, "to be a citizen of the British Commonwealth." Later, on August 11, he told the House that his Administration had done everything in its power "to make the Commonwealth a permanent institution in the world. . . . So far as the British Commonwealth is concerned, I believe it to be the greatest agency for peace throughout the world that this world has ever known." He then went on to make a point, which he has made several times in recent years: "In the course of this whole war, where, I ask, has there been a single difference between Britain and Canada, between Australia and Canada, between South Africa and Canada, from the beginning up to this moment? What finer coöperation could there possibly be?" He gave this as a reason for his view that the existing machinery of consultation and exchange of information could not work more perfectly, so that there was no need of any centralized secretariat in London such as the Australian Prime Minister had proposed. But his statement is the clearest proof that throughout the war there has been a common policy secured by the unison of many voices and expressed very frequently by a single voice.

The British Commonwealth has certainly acted like a "Great Power" whether the term is the right technical description or not. Ever since its Governments first began to meet in family council in 1887 it has commanded a fervent patriotism from its leaders and peoples that is one of the most remarkable things in modern history. The feeling wells up, as warm and as strong as ever in the past, in many speeches of the Commonwealth's Prime Ministers. Witness the words of General Smuts before the British Houses of Parliament in October 1943: "This great human experiment in political organization, this proudest political structure of time, this precedent and anticipation of what one hopes may be in store for human society in the years to come. . . ." The same theme struck fire even in the reserved Scotsman, Mr. Peter Fraser, who is New Zealand's Prime Minister, when he addressed the Canadian Parliament on June 30, 1944: "The British peoples — and when I say the British peoples I mean all the races under the British flag . . . have raised with their sons, around the Mother Country, a wall of

fire, and have forged bonds as light as air, though as strong as steel, bonds that are stronger now than ever before.”⁶ The language of events speaks not less decisively, as witness the continuous pursuit of common policies for more than two generations, the close coördination of defense arrangements, and the fighting of two great wars with the utmost solidarity.

IV

In the last half century the basic factors of kinship, psychological bonds and common interests have remained relatively constant. But there have been great constitutional and legal changes whereby the Empire has been transformed from a single state into a family group of states. The main stages through which the Dominions have passed since 1919 include their separate representation at the Paris Peace Conference; separate membership of the League of Nations; the accrediting of ambassadors and ministers to foreign states; the negotiation, signature and ratification of international treaties in their own right, though through the instrumentality of the common Crown; the Statute of Westminster of 1931, which gave full legal recognition to their independent status under the Crown; the neutrality of Eire; separate declarations of war on Germany by Canada and South Africa in September 1939, and later by Australia on Japan in December 1941, though in each case through the common Crown or its representative.

In legal theory all this involves something which is equivalent, if we must use a question-begging term, to separate legal sovereignty. But to read it as involving political disintegration, still more as a severing of the basic psychological bonds, is to fly in the face of the evidence. The process we have described was a normal process of the coming of age of a family of states; but the phenomenon was unique since this family is the sole example of its kind on the planet. Coming of age was a necessary condition for running the affairs of the family on an adult basis. The process was not without the characteristic dangers which beset such a development. For a certain time there was a kind of witch-hunt led by representatives of Eire and South Africa, with a few individuals from other Dominions joining in, to search out and destroy every conceivable relic, important or unimportant, of what was called “colonialism.”

Traces of this mentality still lurk in various places. It shows

⁶ *Journal of the Parliaments of the Empire*, XXV, p. 550-551.

itself in attacks on things which have nothing to do with legal dependence but are appropriate to a continued family relationship on an adult level. Attacks are made, for example, on preferential tariff relations, on the refusal to bring them within the scope of the most favored nation clause in commercial treaties, or on the doctrine that agreements between members of the Commonwealth family have a special character of their own, and that disputes between them are family affairs and not matters for international arbitration or a world court. It lurks also in a characteristic confusion between "status" and "stature." Consequences which flow from the fact of being a small power are taken as marks of inferior *legal* status. Thus the complaint was made recently in Canada that on the eve of this war the Dominions did not have any "power or control over British policy," that they were involved in war without being able to "select the enemy." The same was true of all the small states which the Axis invaded. A Canada which had severed her relationship from the Mother Country would surely have been involved in the belligerency of the United States, over whose policy she had far less control than she did over the policy of Britain. Nor was the United States able to select its enemies — as witness Pearl Harbor.

The Commonwealth cannot be explained by negations, such as theories about the divisibility of the Crown or the so-called "right" of a member to secede, or the "right" to be neutral when the other members of the family are fighting for their existence. Neutrality is theoretically possible for other members of the Commonwealth besides Eire. But who can predict the cost to those members in terms of moral integrity, disruption of national unity to the point of civil war, loss of face and loss of place in the family group and in the wider society of states? A neutrality that began with a denial of any direct political and moral responsibility in the common struggle for the maintenance in the world of the freedom of nations and of man's free mind and the free conscience, and which ended in an expression of official condolence to the defeated Reich on the death of Adolf Hitler, is not one to which any member of the Commonwealth would care to appeal in the future. The appeal will be rather to the example of the hundreds of thousands of individual Irish men and women who repudiated that policy and joined the common cause. The neutrality of Eire is thus not a Commonwealth precedent, but an Irish problem. The political pattern of the members of the Commonwealth has not been one of neutrality to each other in time

of war, but rather of mutual assistance for reasons of principle and self-interest. Thus the South African Parliament entered the war on General Smuts' plea that "we should do the proper thing and align ourselves with our friends, and we should ward off and prevent those dangers which are almost sure to overtake this country in the future, if we now isolate ourselves and have afterwards to face our ordeal alone." Moreover, neutrality itself is unlikely to continue to exist in a world so highly integrated that all war tends to become a civil war in which no nation is out of the firing line and all are ranged in two opposing groups. The idea of secession is also outmoded. Like neutrality, secession is theoretically possible but highly improbable in a world in which small ungrouped states can hardly exist at all. As for the divisibility of the Crown, it is doubtful in theory, and the theory is highly unimportant when compared with the substance and the strength of the common allegiance. The fact that separate declarations of war were made by the Dominions in some cases, and at some days' interval, is a formal innovation of minor importance; the real point of substance is that the declarations were concerted, immediate, and, except in South Africa, by unanimous consent.

v

Dominion *status* is indeed a thing of the past; for the Commonwealth has passed out of the period of adolescence when the emphasis was upon status. Even New Zealand is getting status out of the way, to attend to more serious matters. The Governor General at the opening of Parliament last February announced that a measure would be introduced "to adopt the Statute of Westminster in order to remove doubts in the eyes of foreign Powers regarding the sovereign status of New Zealand." Lest this be misunderstood, let us recall the New Zealand Prime Minister's words to the Canadian Parliament on June 30, 1944. He referred then to "the paradox that the freer we become the closer we are together; the more our constitutional bonds are relaxed the more closely we are held in the bonds of friendship; the greater the extent to which government sovereignty is extended to the various parts of the British Commonwealth and Empire the more truly one we are in sentiment, in heart and spirit — one in peace as well as in war." In this new period the emphasis is on the positive elements of stature and function. The British Empire, Mr. Curtin said on December 14, 1943, in defining the policy of the Australian Government, is passing out

of the "Third Empire" with its emphasis upon status. "In the Fourth Empire which is approaching," he went on, "the trend is to augment an association of independent sovereign peoples by a common policy in matters that concern the Empire as a whole." When we speak of "free association," he said in May 1944, the important word is "association. . . . The parties in that association have a primary responsibility to each other, jointly and individually."

VI

A few weeks before his death in 1936 Lord Balfour jotted down on a piece of paper, later found on his desk, the words:

"Whence comes the cohesion of the Brit. Emp.?

1. Patriotism. Loyalty. Custom.
2. Religion. Race. Pride in various manifestations. Habit. Language.

Mere law is the weakest of all bonds."

"Mere law" has been the subject of innumerable learned volumes. But nothing has been written on these imponderables, though they furnish the key, when political science learns to use it, to the secret of the Commonwealth. Mr. Winston Churchill had his hand on this key when, in the House of Commons on April 21, 1944, he referred to the "miracle" of the rallying of all parts to the common cause. Yet this, he said, "does not depend upon anything that could ever be written down in any account kept in some large volume." The Statute of Westminster has not, he went on, impaired the centripetal forces which after the wreckage of empire, states and nations, have left the Commonwealth and Empire "more strongly united than ever. I have never thought myself that the Empire needed tying together with bits of string. . . . Natural developments, mysterious natural forces will carry everything before them, especially when those forces are fanned forward as they will be by the wings of victory in a righteous cause."

The fact that these things are difficult to analyze does not mean that they are not political forces of the utmost importance. The main clue to them has so often been referred to unthinkingly that it has become almost a meaningless commonplace to most people. I refer to the idea of family relationship. The common citizenship and the common allegiance to the Crown are important expressions and symbols of this family relationship. When the Report of the Imperial Conference of 1926 spoke of

the "Communities within the British Empire" as being "united by a common allegiance to the Crown" it was not expressing merely a constitutional formula, but a profound psychological truth. Through the common symbol of the Crown, and the person of the King, the peoples of the different parts of the Commonwealth are identified and united with one another. When the King addresses his peoples it is in the language of the family. When their Ministers or their Parliamentary representatives are gathered together, in what they have called on innumerable occasions since 1887 a "family council," they too use the language of the family — as in the loyal toast moved in the great Empire Parliamentary Conference of 1937 to "The Head of the Family — His Majesty the King." Such Parliamentary Conferences and innumerable individual personal contacts, built up since 1911 through the work of the Empire Parliamentary Association, have created a living community of parliamentarians of a unique kind, which, though it is almost unknown to writers on the constitution, is one of the principal central institutions of the Commonwealth. By the community thus established between its 34 Parliaments the British Commonwealth has become a union of Parliamentary democracies. Only this can explain the extraordinary fact of September 1939: that in four Parliaments in the four corners of the world — Great Britain, Canada, Australia and New Zealand — every vote of all but one single member was cast in favor of war against Germany. A further link between the Parliaments may well be the next step in closer constitutional relations within the Commonwealth.

VII

However close its psychological bonds, the British Commonwealth could not function without common machinery. Here again we meet with a seeming paradox. There is machinery at work; for on all sides we can see its results. But it works out of sight, with little or no publicity. It is not machinery of the formal type to which the lawyer or political scientist is accustomed. There is no machinery set up under any constitution or contractual agreement. Even the "family council" or "Imperial Conference" of the Prime Ministers of the different Governments meets all too rarely. There was a seven-year gap between its meeting in 1937 and the meeting in April and May 1944. One reason for this was Mr. Mackenzie King's belief that the machinery al-

ready worked with such "complete success" that neither a full Conference of Prime Ministers nor any central secretariat was necessary. Because of the perfection of the Commonwealth's communications, he told the Houses of Parliament at Westminster, the Commonwealth works through an "invisible . . . continuing Conference of the Cabinets of the Commonwealth . . . which deals from day to day, and not infrequently from hour to hour, with policies of common concern."

The informality of the machinery does not mean lack of efficiency. Such informality is characteristic of British administrative methods. Mutual understanding and perfect teamwork make it possible to proceed by getting "the sense of the meeting." Interdepartmental and intergovernmental committees take decisions without formal votes. Mr. Winston Churchill commended to the House of Commons in a debate on Commonwealth unity on April 21, 1944, the remark of Mr. Hore-Belisha that "the world today was ruled and directed more, as was the war, by functional institutions than by political institutions." Examples are British Commonwealth supply machinery in London and Anglo-American supply machinery in Washington, including the Combined Boards. The "genius of the air" turned to peaceful usages has made possible an extraordinary fluidity of movement whereby Ministers and officials from the most distant parts of the Commonwealth can have personal consultations in Washington or London and be back at their desks within little more than a week. Daily consultation by telephone, cable and airmail, and a perpetually flowing stream of information on foreign affairs and all other matters of importance has been developed to a point which, as Mr. Eden said last March, is "unparalleled in history." Not only are there daily meetings between the British Foreign Secretary and the representatives of the Dominions in London, but every important international conference is preceded by a conference of British and Dominion Ministers. Important proposals for improved machinery, put before the Conference of Prime Ministers in the spring of 1944 by the Australian Government, included the holding of frequent periodical conferences of the Prime Ministers, supplemented by meetings of other Ministers, and by regular meetings at the official level between officers from the various departments. Mr. Churchill and the Dominion Prime Ministers agreed to the suggestion that the British Prime Minister himself should once a month attend the regular daily meetings between the British Dominions Secretary and the

Dominion High Commissioners. On Mr. Curtin's other proposals, including a permanent joint secretariat, the Dominion Prime Ministers undertook to consult their Governments.

VIII

The problem of foreign policy for the Dominions is to reconcile "status" with "stature." They have to avoid at all costs becoming small, ungrouped Powers without dependable friends, existing merely by the uncertain grace of Great Powers that owe them nothing because they offer nothing. Gone is the fool's paradise of the inter-war period where sovereign status could be played up in the Commonwealth and League because the Powers, great and small, were playing down responsibilities. An equivocal Commonwealth has gone with an equivocal League. In the global wars of the future the enemy will strike simultaneously at the Pearl Harbors of the Commonwealth — its capitals and bases. He must subjugate all the kindred states, because he knows that being kindred they can never forgive the destruction of any member of the family. Necessity thus imposes on the Dominions a steady line of policy in relation to the Commonwealth. "In a world where none of us is strong enough to stand alone," Mr. Curtin said to the Canadian Parliament, "we shall discover how and by what means we can best stand by each other."

A group cannot act effectively without a recognized leader who can act for all in vital matters of common concern. At present Britain alone can fill this rôle. She may be, as Lord Cranborne, Dominions Secretary, said recently, "the Metropolitan Dominion of His Majesty, the King"; but she is more powerful than all His Majesty's other self-governing Dominions put together. In this war Britain's rôle of leadership of the Commonwealth, in the great Two-Power, Three-Power and Four-Power policy and strategy conferences of the war, as well as in the Combined Chiefs of Staff and the Combined Boards, has been unquestioned, though Canada has played an important and increasing part in some of these affairs.

The common line which is being taken by the Prime Ministers of Australia, New Zealand and South Africa, is that in such vital matters group action and British leadership are inevitable. As General Smuts put it in November 1943, the guiding principles for the British Commonwealth of Nations and for the new world as a whole must be "not only freedom and democracy" but also "leadership and power." "There are times," Mr. Curtin said in

London on May 18, 1944, "when it is inevitable that somebody must be the spokesman for the whole and we cannot have half a dozen people saying 'this is the voice of the British Commonwealth.'" The historian, looking back over the history of the British Commonwealth for the past 40 years, he pointed out, must conclude that "while each of these peoples and their Governments are completely self-governing and autonomous . . . the degree of their unanimity is always approximately complete in matters of the greatest moment;" the points which divide them, he continued, are subordinate and local. The postwar policy of Canada on this matter has not been defined, but her policy during the war has been on the same lines as that of the other Dominions. As Mr. Mackenzie King put it to his Parliament, the leaders of the Big Four had to "enjoy a certain priority." Canada had to see that her interests were not overlooked: but her business was to help the common cause and not to hinder it by constantly asserting equality of rights.

IX

The San Francisco Conference presents the British Commonwealth in action as a family group of states. The way was prepared for the Conference by prolonged exchanges of ideas and information within the Commonwealth, including preliminary British Commonwealth meetings in London. At the Conference its members displayed the same ability to reach a common view on essentials that they displayed at important international conferences in the inter-war period — and the same freedom in the matter of casting votes on different sides in less important matters.

"The old myth of the 'six British votes' has vanished before the spectacle of the Australians, the New Zealanders and sometimes the Canadians not only opposing the British position but leading the opposition to it," wrote the correspondent of the *New York Times* on May 23. At the Conference there were differences between Britain and some of the Dominions in the matter of the veto given to the Great Powers under the Yalta formula, on certain aspects of trusteeship for dependent peoples, on the Argentine question, and on the admission to the Conference of the World Trade Union Congress. Some difference of view was also reported between Britain and Canada on one side, and Australia and New Zealand on the other, as to the degree of independence to be allowed to regional groups. But

it has to be remembered that this was a constitutional convention rather than a conference dealing with definite practical issues, and that differences about constitutional formulas do not mean the family will not continue to act together when it comes to concrete issues involving vital interests. Moreover, just because of her world responsibilities and her European position, Britain is not always as free as the Dominions to follow what may be as much her preference as theirs. On the question of trusteeship and the policy of self-government, partnership, and welfare of dependent peoples, as against any policy of liquidation of the Empire, it is safe to say there is no difference of substance between the positions of the Governments of the Dominions and the Government of Great Britain.

As in the League Council, Britain, and not the British Commonwealth of Nations as such, will be a member of the Security Council. Mr. Mackenzie King noted in the Canadian Parliament on August 4, 1944, the difficulties which would follow if any formal attempt were made to tie the hands of the representative of Great Britain in such a way that he might have to withhold action until he had received instructions from half a dozen governments. The instructions might conflict and the Commonwealth be rendered impotent by a *liberum veto* of one of its members. But, as he pointed out, while the United Kingdom would sit on the Council in its own right as a Great Power, "its influence would be enhanced by its special relationship with the countries of the Commonwealth."

How the British Commonwealth will fit into the regional security arrangements provided for in Chapter VIII, Section C, of the Dumbarton Oaks proposals is not yet clear. It has long been a cardinal principle of the members of the British Commonwealth that it forms a true regional security organization. Its states were built by seaward expansion, its roads are the sea, and now also the far more direct ways of the air. It has been built up historically by an expansion of peoples, covering exactly the same span of time and fully comparable to that of the two great land federations, the United States and the Union of Soviet Socialist Republics. The landward expansion of these last two peoples produced great federal states; whereas the seaward expansion of Britain produced a unique international family system which in the great recurring crises of history has shown no less solidarity and an equal patriotism. Mr. Curtin said on May 4 last year that "the British Commonwealth has shown itself as

the most effective structure for regional security the world has ever known and it is in every country's interest and in the interest of any general security scheme that that structure should be maintained and, if possible, strengthened." This is entirely compatible with local regional consolidation in the South Seas under the Australian-New Zealand Agreement of January 21, 1944; as the Australian Minister of External Affairs told Parliament just before the Agreement was concluded, "The center of the British Commonwealth and Empire is in Europe. . . . We cannot contract out of Europe."

The new pact of the United Nations is not likely to alter in any sense the main lines of the Commonwealth. There may be, it is true, a certain danger that under this new legal settlement the Commonwealth, which appeared as a group in the Annex to the League Covenant, will be dispersed alphabetically. But this difficulty would be overcome if the international treaty which implements the Charter used the traditional Heads of States formula, so that the plenipotentiaries of the various governments of His Majesty would sign in his name.

But whatever the formula used, the Commonwealth will continue as a close kindred group, linked intimately with the United States. It is, in Mr. Eden's words, "the one really successful experiment in international coöperation." It forms a living bridge between the national past and the international future. As this study has been built so closely upon the words of the Prime Ministers of the Commonwealth, it may fittingly conclude with the first and last words of their declaration to the world on May 18, 1944:

"We, the King's Prime Ministers of the United Kingdom, Canada, Australia, New Zealand, and South Africa

"In a world torn by strife we have met here in unity. That unity finds its strength not in any formal bond but in the hidden spring from which human action flows. We rejoice in our inheritance, loyalties and ideals, and proclaim our sense of kinship to one another. Our system of free association has enabled us, each and all, to claim a full share of the common burden.

"Although spread across the globe, we have stood together through the stress of two world wars, and have been welded the stronger thereby. We believe that when the war is won and peace returns, this same free association, this inherent unity of purpose, will make us able to do further service to mankind."

POLITICAL ASPECTS OF FOREIGN LOANS

By Herbert Feis

THE United States is at the beginning of a new era of foreign lending. It will be called upon to provide many other countries with goods and services far in excess of their immediate capacity to pay. The most urgent requests will be put forward by those countries that have suffered the greatest loss in the war. Partnership in arms gives them a claim upon our help. Furthermore, the United States is now deeply engaged in a common search with other countries for a new basis for international political life. A readiness to grant loans within the limits of the reasonable is an essential counterpart of the leadership we have assumed in the political realm. For these reasons, and because it conforms well with our economic position, the United States is ready, I believe, to enter into a new program of foreign lending.

The attitudes with which we will enter upon this program are very different from those that prevailed after the last war. We had then the innocent sense that victory had ended the danger that threatened us and expelled the evil we detested out of the world. The task ahead seemed a simple one of economic reconstruction and we marched into our lending activity without asking whether it was compatible with our isolation, and without reckoning its political consequences. A hopeful sense prevailed among us that the capital we were providing would somehow or other bring back the tranquillity that had prevailed in Europe before 1914. With easy complacency we trusted Germany just as much as we trusted our former allies. Moreover, the extreme character of the Communist revolution that had taken place in Russia cut us off from almost all traffic — economic and diplomatic — with that nation, and only a few Americans were fully aware of the significance of the gradual reëmergence of Russia into world affairs.

We are today deeply aware of the fact that events abroad affect our lives. In the next few years the boundaries of many of the countries of Europe and Asia will be drawn anew, and new political relationships will be formed. These years will test the inclination and ability of many countries to shape their domestic institutions and conduct their external affairs independently. They will decide the character of the political life of many peoples. In short, this is the period in which the territories of

nations, their relative power, the prospects for peace and justice among them and for freedom within them will be settled for our time.

Thus, we are forced to consider an old and highly controversial issue: Shall we take political questions into account when making loans? It seems plain that we must. Our economic prospects, our safety, the chance that decency will prevail in this world — all these will be affected by the use that foreign countries make of the economic strength for which we provide the nourishment.

It is easy to define in general terms the tendencies that we would wish, by lending economic aid, to encourage in other nations. We shall have satisfaction in furnishing capital to countries which are content within their boundaries, which are ready to submit differences with others to international settlement, which are disposed to give our commerce fair opportunity and which are devoted to the ideal that all men should have freedom and justice. We shall find little satisfaction in providing capital for countries which may seem either to threaten our own safety, or to wish to dominate others, or to be wedded to oppression. These preferences are the natural outcome of what the United States is, what it stands for, and what it requires for its protection. But preferences such as these are extremely vague, and subject to distortion. For one thing, our attitude toward particular loan proposals may be damagingly swayed by minority views. Policy has been influenced in the past, for example, by the sympathy of persons of Italian origin for their homeland; it has been warped by the anti-British feeling to which groups of Irish origin have been prone; it has been affected by the intense fear of Communist Russia entertained in some American groups, and simultaneously has been subject to the ardent attentions of Communist sympathizers. It is always subject to the tug and pull of highly organized economic groups within our boundaries, whose views of the national interest are likely to be shaped by conceptions — sometimes ill-advised — of their own interests. It is idle to believe that future decisions will not be subject to the same pressure of racial, class or group prejudices.

If we permit our foreign loan policy, like molasses taffy, to be pummeled about by each of these many nervous or greedy hands, it will be a poor and unsanitary product. The safeguard for this is not to pretend that such influences and interests do not play a part in shaping our policy, but to be more fully con-

scious of what they are and to put the national interest above them.

We must be aware of one other factor. No matter how informed and just our judgment may be, any purposeful use of financial power outside our frontier is in itself very easily construed as a form of "imperialism." The attitude of foreign countries is certain to be that our possession of capital gives us no right to judge or control their actions, or to wrest concessions from them. There is little point in debating this issue in general terms. Foreign countries may be justified in maintaining these views. As the price of obtaining capital from us, other countries should not have to submit to dictation by the United States as to the diplomatic connections they may form or the kind of political and social institutions which they may establish; nor should they be compelled to accede to unjust demands for economic or political favors. However, precisely as other countries will correctly insist upon their right to follow their own course in these matters — provided they are not obviously threatening to us — and to choose their own political and social institutions, so the United States can correctly insist upon the right to decide whether it is in our national interest to assist them in the course they choose to take, and to seek such return as seems to us reasonable.

We should put aside temptation to use our financial power to obtain trivial concessions for special interests, or to interfere frequently in the lives of other nations, or to check shifts in the diplomatic alignments between them which do not threaten our peace and security. All use of this power must fully satisfy our national conscience, and concern itself only with issues of vital consequence.

II

Instruction as to the type of problem that lies ahead is more clearly found by considering concrete situations, rather than by generalized reflection. Let us choose the most stony field we may have to cross.

What of loans to the U.S.S.R.? Can they be discussed without appearing to voice unjustified fears and suspicions, without seeming to assert an American right to be arbiter for the world, or without incurring the charge of disguising commercial ambitions under idealistic phrases? The following observations represent an effort to do so. They should be deemed to be written lightly in chalk, subject to quick and easy erasure.

The first specific question is whether the United States should make the U.S.S.R. a direct loan of large dimensions for reconstruction purposes. Five or six billion dollars is the sum commonly mentioned. Mr. James B. Reston, the lucid and reliable writer who reports to the *New York Times* from Washington on such matters, recently has said that our delay in giving a definite response to this Russian request for a loan may be one of the reasons why that country has shown herself disinclined to compromise with us on other matters. It seems likely that the financial question has been prominent in the minds of the Soviet officials, though it certainly is not at the bottom of the difficulty over Poland, and I am sure that Russian policy on any issue which she considered significant could not be swayed by the granting or the withholding of a loan.

What are the proper components of American judgment in the matter? They are many and diverse. First of all, it may be said, all economic considerations would favor the making of a large loan. No one will doubt the ability of the U.S.S.R. to repay any debt it may incur toward us, and its record similarly eliminates doubt as to its will to do so. The choice of whether we would accept payment in gold or in useful goods would be largely our own. We need not fear the effect on our commerce of Russian economic advancement; her exports would be largely supplementary to our own; her expanding market would be a welcome addition to our export field; and we should, if we are wise, draw in large measure on her natural resources for our own needs.

Second, a promising groundwork exists for developing a harmonious partnership in the creation and operation of an international organization for the maintenance of peace and for agreeing upon the settlement of the issues of the peace. Americans are grateful for the valorous and victorious fight of the Russians; and the Russians are showing a similar appreciation of the American effort. There appears to be a promising mutual attraction and liking between Americans and Russians when they meet.

There is no fear in either country that the other may be planning an assault upon its territories or upon the territory of countries whose security or independence is clearly essential to it. Each may be somewhat anxious over the spread of the influence of the other in countries that seem to belong geographically within its sphere of security. Were any of the countries in the neighborhood of the Canal Zone, for example, to develop a foreign policy that seemed to lean primarily on the U.S.S.R. and to be

challenging to the United States, we probably should become disturbed. Correspondingly, were any of the countries that border the Soviet Union on the west or the south to engage in activities that appeared to rest primarily on American support and were deemed hostile, Russia would become disturbed. But it is hoped that mutual recognition of these facts within both the United States and the U.S.S.R. will eliminate any danger of such possibilities. Further, it may be hoped that the day has passed when differences between our own and the Soviet economic and social systems operate as a decisive barrier. We have lost the impulse to try to influence the form of Russian life, and signs of a reciprocal tolerance and respect have grown increasingly clear.

Lastly, there remains the question of whether any vital and irreconcilable difference will arise between the two countries in the many immediate problems of peace-making. The most important question in this regard will center upon Germany. At the time of writing, many problems relating to German boundaries, the execution of the reparations program, the methods for governing Germany, the elimination of all forms of Nazi influence, and the maintenance of rule over the German people have yet to be worked out among ourselves, the U.S.S.R. and our other major allies. It must be expected that some of these questions will produce differences, especially since, in regard to several of them — economic policy and war crimes, for example — the United States has not known its own mind too well. But a solution by agreement is imperative — and not only in order to clear the path to financial assistance; sustained quarrels over these matters will quickly char any paper text that is drawn at San Francisco.

(I venture to add, by way of digression, that the essential conditions for achieving agreement are clear proof from the United States that we are in earnest about punishing Germany for her evil behavior; that we do not desire to spare her out of commercial considerations; that we intend to prevent her from ever again becoming a strong Power or an important factor in world affairs; and that we have not the slightest desire or intention of making her a bulwark against the U.S.S.R. Equally essential is clear proof that the Soviet Government does not wish to bring Germany under its permanent control and that it does not intend to use her as a base of attack on western security or as a means of forcing Communism on the west.)

These are the elements in the general outlook that encourage optimism. But it would be foolish to pretend that the horizon is

entirely clear. Americans, at present, are longing for more definite assurance that — as the years go by — the contribution which our capital may make to Russian development will turn out to be advantageous to American safety and peace. This, I believe, is not because of doubt regarding the direct uses that the U.S.S.R. may make of her great power, but over possible indirect uses. There is anxiety that she may exert her power to extend her influence or control over the life of other countries in ways that will make us uncomfortable or may even seem threatening. The course followed and the methods used in the case of Poland seem to us unjust and hard, and in the case of Austria rude, and, perhaps, deceptive. They seem to be imposed solutions, based on Russia's will; we had our mind set upon solutions that would emerge from the expressed preference of the peoples concerned. To the Russian mind, these fears and criticisms seem ill-founded. On the other hand, Russians feel that we fail to perceive the necessity of policies which will make the U.S.S.R. secure, because we forget the vital danger to which their homeland has been exposed, and the hostility of which it remains the object. Russia's strong initiatives in the affairs of various nearby states — as they emerge from the Nazi grasp — seem to her essential to Russian safety and to the stability of the area. For us to resent this activity appears — to paraphrase words used by *Pravda* in a recent Moscow broadcast — to be an attempt to elbow the U.S.S.R. out of her legitimate sphere of interest. The process of drawing together these different points of view will take time. It will be achieved only if both countries firmly accept the view that in their respective "security spheres" they may properly exercise leadership but not domination; and if both are obedient to the requirements of a larger world society.

Certainly any ban on financial assistance to Russia because of vague anxieties and secondary differences would be most unwise. It would endanger the prospect of carrying our present coöperation with the U.S.S.R. into the postwar period. We should, on the contrary, enter the postwar years with a definite willingness to aid the U.S.S.R. financially. Simultaneously, the assignment of American diplomacy will be to obtain effective acceptance by Russia of American views on matters vital to us and to work out compromises when there appears to be a divergence of interests or purposes. If that effort fails, we should be compelled to reconsider our course. But it must not fail. Both peoples have such endless opportunities before them, as they exchange toasts on the Elbe.

III

Our political relations with Russia may also enter into our decisions as regards loans to her neighbors, in particular Poland, Czechoslovakia, Austria, Hungary, Yugoslavia, Rumania, Bulgaria and the countries to the south — Turkey, Iran and all the Arab states. Many of these are certain to seek dollars for economic reconstruction, both through American loans and through the International Investment Bank, if it is established. Such requests will necessitate an assessment of the position of each of these countries in the contemporary world, and that in turn will raise the question of the relation of each of them to the U.S.S.R., their relationships with the United States, and the character of their political institutions.

We shall be wise to recognize that it is not only natural but desirable for these countries to form extensive, and possibly intimate, relations with the Soviet Union. The Russian view that all traces of Nazi and Fascist influence in these countries must be exterminated is justified, as is also the Soviet effort to make sure that they cannot be revived under any form of reactionary leadership. Power and propinquity also justify Russia's expectation that the governments of these countries will give consideration to her interests and ideals. The American mind must not only compass all of these prospects but even welcome them as the basis by which peace may be maintained in Europe.

But while the United States can properly be called upon to accept Russian leadership in these countries, it cannot happily accept Russian dictation of their policies and way of life; nor could it happily accept the exclusion of American economic enterprise. Our political philosophy and interests incline us to the opinion that the people within these countries should be free to determine their own forms of social and economic life, and should be independent in their foreign policy. Our disposition is to desire that their institutions be of the type that we regard as "democratic," that is, with the control of the government resting in the people and with the government on a constitutional basis which protects the personal liberties of the people. Furthermore, the United States will be disturbed if these countries come under the forced domination of any Great Power. Their ability to speak and act independently on future international political issues seems of importance to us. And we hope to carry on trade and financial activities within their domains with reasonable freedom

and on terms as advantageous as those enjoyed by any other country. This would be unlikely if they became, in practice, subordinate parts of the Russian Soviet system. In other words, our desire is that they remain as independent as any small states can be in the future world. However, should any of them, in what is plainly an act of their own free will, decide to become part of the Soviet system and add themselves to the U.S.S.R., or adopt for themselves the Russian economic system, the United States should not combat that decision by financial bars.

When proposals for financial aid for any of these countries arise, the American investment agency will — albeit silently — turn over in its mind the answer to many questions. Has the country really cleared itself of all National Socialist influence? Is it sympathetic to democratic ideals? Can it be counted upon as a steadfast supporter of international order and justice? Is it proving a good neighbor? Will it grant reasonable opportunity to American trade? And finally, will it be independent in its external political relations? It would be silly to believe that capsule answers will be available to questions of this type when they are most needed. Decisions will often have to be groping and uncertain. The mien that countries display when in need sometimes changes afterward.

A similar set of questions may emerge in regard to certain parts of Asia — particularly China. We are bound deeply to China by an old friendship and by mutual support during this long war. We are committed to assist in the rebuilding of China; we are confident she will always be a peaceful friend. As an invited and friendly participant in China's life, we look forward to the day when the Chinese people enjoy increased political freedom and achieve a large measure of economic and social justice. Our devotion to the idea of a unified, strong and progressive China is shown by our present effort to bring about a reconciliation between Chiang Kai-shek and the Chinese Communist Government and armies. Our support of China's territorial claims likewise shows that we confront our future relations with her with trust in the basic purposes of the Chinese people. It seems to us that the ways of life and the external policy of an independent Chinese people will be congenial and reassuring to us. Our assurance as to the wisdom of strengthening China would be shaken if the Chinese Government should seem to come under the decisive influence of Russia, or of any foreign government. China, during her years of convalescence, must revive and cherish friendly relations with all

other peaceful countries. She must, in other words, take the road to partnership with the large Powers indicated by the place granted her in the Dumbarton Oaks proposals.

IV

The preceding reflections have been concerned with the ways in which American-Russian relationships will affect foreign investment operations undertaken by the United States Government and American private investors. The same considerations will, in a no less significant way, affect the operations of any international investment bank such as that proposed by Bretton Woods.

Advocates of this venture — in whose number I include myself — think that one of its advantages is that it might free capital-seeking countries somewhat from the need of paying heed to the ideas, aims or influence of any particular source of capital. The Bank, for example, might take over the task of financing certain countries in which the financial activities of any one large Power would be looked upon with anxiety by others, and thus it might make possible loan and investment operations in countries where the interests of different Powers were not in settled adjustment, or were in a state of rivalry. But it should not be expected that an international investment organization, even if it grows and prospers, can eliminate the political element in many international financial situations. Countries controlling the flow of capital will ask political questions, whether they act independently or as participants in an international bank.

The Bank will exist to facilitate specific economic projects which, if well judged, will add to the economic strength of the country obtaining the capital, and thereby enable it to become a greater factor in world affairs. By rendering financial assistance, the Bank will strengthen the position of the government in power in the borrowing country. When any proposal comes before the Board of Directors of the International Bank, either as a request for its own funds or for a guarantee of funds that private lenders are ready to provide, it is to be presumed that each Director will ask himself whether his own government would be in favor of thus strengthening that country.

Since the United States will contribute so large a share of the funds which may be invested through the Bank, the American Director in particular would be expected to weigh the wisdom and justification of making the loan, in terms of American opin-

ion and interest. He would have to take into account essentially the same considerations that, as we have seen, would influence the decision of an American official who was placing an independent American loan. Before he could happily consent to making an important dollar loan to any country, through the International Bank, he would strive for assurance 1, that the United States could count upon its peaceful friendship; 2, that it was in a position to act as a devoted and independent supporter of justice in any important issue that might arise between ourselves and other countries; 3, that the government in power was striving to give effect to democratic ideals; and 4, that American economic interests would secure fair opportunity and consideration. A wisely instructed official would abstain from opposing particular operations unless very definite and serious objections presented themselves. But he would have to insist that American views not be consistently overlooked or disregarded, for he would know that if they were, American support for the Bank would soon fall away; and it would be his task to have his colleagues understand that fact.

The U.S.S.R. will have a corresponding set of concerns with the Bank's operations. If a foreigner can undertake to guess at them, they will be to assure that the operations of the Bank, to which the U.S.S.R. will also contribute an important amount, will be used to strengthen countries that 1, are not unfriendly to Russia or Russia's social ideals; and 2, give fair consideration to Russia's economic interests.

Harmony in the relations between the United States and the U.S.S.R. will be as essential for the satisfactory operation of any international investment bank as for independent loans.

v

I have chosen, in illustration of the political questions to be faced in making foreign loans, thus far to travel only a single circuit — that of American-Soviet relations. But in making loans we shall also encounter difficult questions on other circuits. There will be complaints against other countries and disputes with them which will affect the temper and the hands that control the purse. There may be occasions where it is appropriate and just to use our lending power as a counter in some transactions having to do with economic affairs. If our own trade policy affords fair opportunity to other countries, we shall be justified in requiring free and equal opportunity in return. Our lending power may be a use-

ful means to gain that end. But if it is used to support selfish American policy, in the end we shall prove to have cheated ourselves. Furthermore, our financial power may be useful in gaining for American capital and enterprise equal opportunity to develop foreign resources. Expectation of such opportunity is justified. We shall not want to aid the great empires of the world to reserve their resources exclusively for their own people. It may even be proper at times to exchange our capital for some territorial or political advantage. However, the pursuit of these ends must be patient, modest and untarnished by suspicion that what we are seeking is not economic opportunity but unfair and unavowed political ends.

There will, no doubt, be times when foreign governments, in the American mind, seem oppressive, incompetent, corrupt or scheming. To these we shall be loath to provide capital. The purse will be unclasped for them grudgingly, if at all. While in happy contrast, governments which seem to us genuinely concerned with the welfare of our country, peaceful and competent, are likely to gain our confidence and command our wish to be helpful. These are but a few of the nuances of preference that are certain to enter into the business of foreign lending.

In conclusion, then, it may be said, first, that the United States will be compelled to take into account in the development of its foreign investment activities the political and social consequences of that activity; and, second, that, if we and the U.S.S.R. are working together in firm friendship, the serious complexities which will present themselves in this field will be few and unimportant. But if, on the contrary, relations between these two countries are severely disturbed, then our program of foreign financing is certain to be engulfed in, or become part of, the general disturbance.

In a settled and secure world we shall have to take little heed of the political aspects of our foreign financial activity; in an unsettled and insecure world we shall have to pay much heed to them. The student can only hope that the treasury official will have little need to consult political atlases and reports, and can draw his guidance primarily from the ledgers of peaceful business information. It will be a good omen if the conduct of international finance can be left to the care of banking minds — illumined and refined by the flame of suffering through which the world is passing.

NATIONAL POWER AND FOREIGN POLICY

By Grayson Kirk

UNTIL recent times the security of the United States has not been a subject of general concern. There still lingers the impression of days when the vastness of our oceanic barriers, the distribution of power in Europe, and the relative weakness of our hemispheric neighbors combined to provide us with a larger measure of unplanned national security than any other great nation has ever enjoyed for a comparable period of time. But now, in the midst of a tremendous and most costly military effort, our people naturally tend to reexamine these past circumstances in an effort to decide to what extent they still are serviceable and dependable as bases of national policy. As a result, there has developed a widespread public conviction that in this era of mechanized warfare our geographic remoteness from other great centers of national power no longer assures us the same margin of safety as we formerly enjoyed. This has produced an unprecedented public interest in the principle of an international security organization and, in addition, a public demand that the United States shall remain, after the war, more powerful militarily than it has been in the past.

In the view of some, this latter need can be met only by maintaining incomparably the greatest army, navy and air force in the history of the world. Others have concentrated rather more upon specific suggestions, such as that we retain a great nexus of overseas bases or adopt a permanent program of obligatory military training for our young men. Whatever the particular thesis, the underlying motivation is the conviction that a World Power as great as the United States must now have carefully planned security arrangements. The question arises: What arrangements will best enable the United States to protect its people and discharge effectively its international obligations?

No one can deny the magnitude and complexity of the problem. Total security, like total war, calls for overall planning to a degree not easily reconciled with the habits and traditions of easy-going democracy. Such planning requires both an integrated foreign policy and an integrated defense policy, so that the United States will be able to mobilize its fullest national strength of manpower and industry when and as needed. This can be done

without impairing the traditional values of American life only if the basic elements of policy are all properly weighed in their relationship to each other, and if this is done deliberately, in the full light of public opinion. Concentration of public and official attention on a single panacea can be as disastrous as a return to the reckless and unplanned course of action of the past.

The new conditions which affect American security are reasonably familiar. Technologically, we are far more vulnerable to attack from across our ocean frontiers than in the pre-mechanized days of the past century. The public may, of course, be too much awed by robot bombs, immense rockets carrying death through the stratosphere, and the spectacle of routine transoceanic flying. The fact remains that it is possible, as never before in history, for a state to apply immensely destructive military force instantly and at great distances from its supply arsenals and factories.

The changing political structure of the world is less obvious but equally significant. In place of half a dozen or more Great Powers, concentrated in close juxtaposition in western Europe, there are likely to be in the foreseeable future only three Powers of the first magnitude. All of them will be located outside Europe and at considerable distances from each other. Moreover, the level of front-rank world power is now so high — no matter by what criterion it is measured — that states with lesser resources will hardly be able to lift themselves to it by their own efforts or even in combination. It is in this new world that the United States must plan to live in safety.

II

What kind of military policy will best fit our needs as one of the great triumvirate? Among the elements of such a policy, universal military training is receiving the chief attention of American officials. A program for instituting it received the support of the late President Roosevelt as well as of Secretary Stimson and General Marshall. Concrete proposals have been introduced in Congress and public hearings upon them will be held shortly. In substance, they provide that all young men will become eligible at the age of 18 for a year's continuous military training. It is not proposed at present that those who have taken the course become automatically liable for compulsory military service. They will simply constitute a trained reserve of men who would be available to supplement the regular professional military forces when need arose. The probable cost of the program

has not yet been discussed publicly by the War Department, but unofficial estimates run from a billion dollars a year up.

For the purposes of the present discussion, many of the arguments used in support of the program can be dismissed without extended analysis. Thus, while it undoubtedly would bring some benefits to education and public health, these would be problematical in certain cases and incidental in all. No one would seriously advocate a year of military life solely to produce these expected benefits, and few would assert that the Army and Navy would be the proper agencies to be assigned the task. Also, there is an offsetting factor in the loss which would be sustained by the young men as a result of a year's interruption in their professional preparation for their respective careers. Even if the benefits should, in fact, be considerable, they would not in themselves justify a decision so important in other respects.

The same general judgment can be made with regard to the economic issues involved. A distinction may properly be made between the direct dollar costs — the outlay for camps, equipment, wages paid to the trainees, allotments to families placed in need because of the loss of wage-earners, etc. — and the economic costs — loss to national production through the withdrawal of so many young men from the labor market, etc. In each case, however, there are possible gains to be counted. Some would come, for example, through the added skills which young men would acquire in their basic training. It is hard to strike an accurate balance now, but certainly the economic advantages are not likely to be so great as to justify the program.

The debate, in other words, should turn solely on the importance of universal military training to our future national security. By this yardstick, and this alone, it should be measured, and either accepted or rejected. To this judgment the objection may be made that perhaps American participation in the future United Nations Security Organization will require that we have universal training in order to discharge our new military responsibilities under the Charter. This clearly is most doubtful. The organization outlined at Dumbarton Oaks is not designed to be able to coerce one of the major signatory Powers and cannot hope to do so. If one of these Powers should become an aggressor, it could not be dealt with save in a war of global proportions. International police action of the kind contemplated by the Charter would not come into play. In effect, the security enforcement rôle of the organization will be limited to dealing

with those minor disturbances with respect to which all the member Great Powers can agree upon a common policy. Contingents of the American professional army, plus naval and air units, would provide as great a contribution as this country would have to add to those of the other major military Powers.

The indicated conclusion is that we would need universal training only for our own national defense in case we were threatened by an aggressor of great strength. The number of possible situations from which such a threat could come is limited. Conceivably, it would appear: 1, if we allowed our present enemies to regain impressive military strength, comparable to that of 1939; or 2, if there were some irreparable disagreement between ourselves and any of our present major allies. It is difficult to see how a program of universal military training bears importantly on the first of these alternatives. If there remains unanimity of policy among the Allies toward the Axis states, no such danger will arise. If this unanimity disappears, then our ability to deal with incipient threats from Germany or Japan will be a matter of political decision. A training program of the sort described would not go far to enable us to take swift action at an early stage of the developing threat. It can be justifiable only on the assumption that we shall once again allow such a threat to develop to the point where it cannot be countered except by a massive military effort. If we keep our wits about us and maintain our willingness to act at a given moment — in other words, if we have intelligent and determined leadership and follow it — we can protect ourselves adequately by a strong navy and air force and an army of moderate size.

The remaining possibility is, of course, the implied major premise in the minds of most proponents of universal peacetime training. There is no denying that if we should become locked in a titanic struggle with one of the other great states we would need all our own resources — and perhaps more besides — to win. In such an effort, a large trained reserve would contribute something of distinct value. These aspects of the problem, however, deserve careful exploration. Despite the shrinkage of our ocean barriers, the fact still remains that our conceivable opponents in this category are located about as far from the United States as is geographically possible. We shall continue in any event to have such immense naval and air strength that it seems logistically improbable that we could be overwhelmed before we had had an opportunity to train the necessary ground forces.

Here again the burden of responsibility will rest upon the wisdom of our statesmen and the willingness of our people to follow them. They should be able to give ample warning of impending danger.

On the particular issue of universal obligatory training it seems clear that we must determine our proper course after we are able to estimate the postwar international political situation more accurately. The program is an implement of foreign policy; it is not, in itself, a policy. The final decision with regard to it should be made in the light of its relationship to our foreign policy as a whole.

Objection has been made to this view by persons who believe it implies that there should be no planning at all until a prospective enemy has been clearly identified and when the only question is how best to deal with him. The military services, it is said, cannot wait until such a time; it is their task to be prepared as best they can to meet all possible contingencies at any time. Actually, however, the course suggested does not provide the military technicians with an impossible task. It is unlikely, if not impossible, that our relations with one of the other Great Powers could deteriorate so rapidly that our policies could not be adapted to meet the developing situation. The enemy, in other words, would not suddenly cast aside his mask of friendship and reveal to our startled gaze his true features of hostility. International political situations do not develop in this fashion. Pearl Harbor had a long background of developing political tension and was preceded by many warning signals.

III

The general relationship of military policy to foreign policy deserves more attention than it generally receives. We can perhaps best explore it by attempting to estimate the probable consequences of a decision on our part to adopt a broad postwar policy of universal military training; to retain great numbers of overseas bases; and to maintain a huge navy and air force in conjunction with a much larger professional army than we have possessed hitherto.

The argument can be made that such a course would have a favorable effect on our political relations with our major allies, who would regard our changed policy as an earnest of our determination to carry our full share of responsibility in the international security organization, and to maintain an unremitting vigilance against the resurgence of our present enemies. It can

be argued, also, that the new evidence of vigorous strength on our part would contribute to the maintenance of peace generally because never again would it be possible for a predatory state to hope that it could strike quickly, and present us with a fait accompli before our latent power could be mobilized.

This argument rests on the assumption that if the United States had been more fully armed in 1917 and 1941 we might not have been drawn into war. It fails to take into account the alternative view that we participated in both wars primarily because we preferred to resort to force rather than to accept the probability that otherwise the war would terminate in a way which, in the long run, would be detrimental to our essential national interests. We no longer are free to assume, even though we have great military strength, that by preventing a foreign war from coming to our shores we will have fulfilled the highest demands of national security.

This alternative view also relies on some rather tangible factors in the situation. Far from being regarded as an earnest of our good intentions, a tremendous military development might well create new suspicions and reinvigorate old ones. While there is a general belief that the United States is a Power which favors the status quo, we must not think that the assumption is held either universally or so deeply that no action on our part could jeopardize it. Our annexation of overseas bases on a lavish scale might particularly become a source of new suspicions that we have imperialistic intentions. It is necessary in each case to weigh candidly the military advantages against the possible political disadvantages. Indeed, it might even be argued with some plausibility that the best earnest of our support for the new world security organization would be our adoption of a policy which refrained from maintaining a military establishment notably larger than our effective participation in it would require. The present writer does not believe that this last suggestion is either wise or practicable. He does believe, however, that no military policy should be adopted except after careful consideration of the political factors.

The problem has its domestic ramifications, too. Would the American people regard a great armament as an indication that, officially, we had no genuine confidence in the new international organization? The result which such an attitude on the part of the major members of the League of Nations had on the effectiveness of that organization in the inter-war years should not be forgotten. If the popular reaction were that our officials regarded

another global conflict as probable, if not inevitable, it would be a powerful stimulus to American isolationism. It would be all the stronger, too, because it would come at a time when the new organization was weathering the first storms of Allied disagreement over the war settlement and its aftermath.

One must also weigh the possibility that such great military power, including compulsory training, might strengthen regionalism as well as outright isolationism. For some time there have been indications that the erstwhile leaders of American isolationism will now support a policy of hemispheric defense as a means of destroying, or at least vitiating, the power of the central international organization. If the United States couples a great military program with support for an inter-American regional organization with full powers of policy-making and initiative in security matters, Americans can scarcely object in good conscience if the other great states follow the same course in regions where they have special interests. No great argument is needed to show how unfavorable such a development would be to the fundamental interests of American security. No threat to the United States will originate in this hemisphere; if our security is endangered, the threat will come from across one of our frontier oceans. If we are to be able to check the growth of threats to our security arising in either western Europe or eastern Asia at a time when they can be met with relative ease, we must be prepared to take an active interest in the political affairs of the borderlands across both oceans. This does not mean that the United States would be required to assume vast and continuous responsibilities in these regions; it means merely that we must be able to intervene, without encountering the charge of improper meddling, whenever and wherever necessary for the protection of our own interests. Only in a central international organization, in which regional agencies have a minor and subordinate rôle, could this be possible. And if the tendency of our military policy were to make this less easy, because of its regionalistic implications, then the harm might far surpass the benefit to the nation.

These considerations suggest the conclusion that the fundamentals of our future security are essentially political rather than military. Skillful statesmanship, supported by a reasonably strong force in being and backed by the immense military potential of the United States, gives us the maximum likelihood of future security. For this combination the strongest standing military force alone is not a satisfactory substitute.

WHICH WAY WILL FARMERS TURN?

By Theodore W. Schultz

WHETHER the United States will continue to advance along the path of international collaboration depends to no little extent upon the state of mind of the rural electorate and the farm organizations. Rural attitudes on foreign policy in the years ahead will be determined primarily by the health or weakness of domestic agriculture; and it is a mistake not to face the fact that the long-term prospects for internationalism among American farmers are not particularly bright.

Most persons concerned about foreign relations are prone to underestimate the strategic position which the American farmer holds in the formulation of our foreign policy. The political voice of rural America is peculiarly influential in Congress, for two obvious reasons. Each State has two Senators, a simple truth which describes the magnitude of the veto power of the rural, less populated sections of the country. And the Congressional districts are so drawn as to give extra weight to the rural areas. To these factors another must be added at the present time: so far as political majorities go, the anti-Administration sentiment is heavily concentrated in non-industrial districts of the Middle West and in the plains States. Herein lies the source of rural America's great power on international issues.

Currently, the hand of the American farmer is raised in approval of Dumbarton Oaks, Bretton Woods, and the Food and Agricultural Organization of the United Nations formulated at the Hot Springs Conference. The extension of the Reciprocal Trade Agreements program, with new powers to cut tariffs, presents the farmers with a more difficult choice, however. On this issue agriculture is divided against itself, with the strong commodity lobbies — wool, cattle, sugar and dairy — in opposition, and two of the general farm organizations, the American Farm Bureau and the Farmers Union, in favor of the extension. At present there is strong leadership in the general farm organizations favorable to international collaboration and there is widespread farm prosperity. This conjuncture bodes well for the immediate future. The trouble may come two to five years from now. In the opinion of the writer, the main weight of agriculture not only may be thrown against foreign policies favoring freer

trade but probably will be, unless we take measures to avoid a prolonged depression in agriculture after the war and to close the growing gap between agricultural policy and trade policy.

II

First, what is the point of view of American farmers on international questions at the present time? People who rely upon the forces of education to bring about more enlightened public action all too often overlook the fact that education seldom has much influence in the short run. An examination of the activities of educational groups provides a clue to the ideas likely to prevail a decade hence, but to acquire an insight into current developments we must turn to prevailing attitudes, and, what is more important, to the interest groups which are busy working for concrete objectives. Such groups have substantial power in agriculture. Their task, as they see it, is to make the attitudes of their "constituency" effective, and they strive to accomplish this through direct political action and through propaganda. At the moment, the attitudes of farm people, as reflected by the major farm organizations, favor the development of new international institutions and the acceptance of added responsibilities by the United States.

The American Farm Bureau has the strongest influence in Congress of any of the farm organizations. The Bureau has taken its stand for the principles and plans of the proposed international organizations. The membership is heavily concentrated in the middle Corn Belt and the central Cotton Belt, and the Bureau accordingly represents the heart of American agriculture. This area has always had a pulse beat for "free trade" and a pulse beat for a "protected American market." One of the outstanding political accomplishments of the Bureau in recent years has been the reconciliation of these two opposing attitudes. Its policy in foreign affairs is clear-cut. No one has seen fit to put the label of "isolationism" on this organization, although it is rooted in America's hinterland. The Bureau helped former Secretary Hull realize his trade agreement programs. It was in the vanguard in anticipating the need for preparedness and the coming of war. Much of the credit for holding the Corn and Cotton Belts to a common purpose with regard to foreign policy belongs to Edward O'Neal, long President of the Bureau, who with his Alabama background is strongly international-minded. His espousal of "free trade" was made tolerable in

Corn Belt circles by the rapid rise, especially in Iowa, of local leadership committed to the same principle.

The Bureau is not likely to lend its support to Congressional strategy designed to cripple or weaken the major proposals for America's participation in international organizations. The Bureau is not wholly satisfied with all of the many features embodied in these proposals, nor with the way in which they were drafted; yet, practised as the Bureau is in political realism, it will not be inclined to jeopardize its larger goals by insisting upon amendments and modifications.

Yet despite the Bureau's admirable and forthright stand on measures dealing directly with foreign policy, it has been largely responsible for domestic measures affecting agricultural prices which are increasingly inconsistent with the essentials of a liberal trade policy. Here the Bureau finds itself in the rôle of a Dr. Jekyll and Mr. Hyde. The internal measures which it supports can lead only to more protectionism; and sooner or later they will give both cotton and wheat farmers a vested interest in price discrimination and dumping. When this takes place the influence for "freer trade" of this powerful American group may be reversed. This question of a two-price policy, leading to dumping of American farm products abroad, provides the clue to the problem we are discussing, and we shall return to it in more detail later.

The National Farmers Union wants full participation by the United States in international organizations. The Union has its tap root in the plains immediately west of the rich territory where the Bureau is strong. Union farmers have always been burdened by much economic uncertainty, not only in regard to prices but also — as a result of erratic weather in this region — in regard to production. The membership of the Union, like that of the Bureau, spans the North-South axis; and both Oklahoma and North Dakota have a common interest in hard wheat — still very much a world commodity. But the Union's program, including its position on foreign policy, is not determined by an interest in basic commodities and parity prices; it is to be found in a concern for underprivileged people in agriculture and in the ranks of labor, here and abroad. The leadership of the Union reacts quickly against any action that aids anti-democratic forces abroad. James Patton, its President, has given the Union an intellectual rationale befitting an advanced industrial-urban society. That liberal leadership of this kind should have emerged in agriculture may seem paradoxical unless one remembers the

social forces that gave rise to Bryan, Norris, the elder LaFollette, Walsh, Norbeck and others. The early agrarian movements — the Grange, Farmers Alliance, Populist Party and Non-Partisan League — all had a deep concern about monetary policy, industrial monopolies, inequality in incomes and the welfare of the underprivileged.

The National Grange holds a mixed position on foreign policy. Its membership is for the most part conservative and protectionist. Politically, it is strongest in the northeast, but its strength is diffused. In the northeast and middle states it chiefly reflects the views of moderately prosperous farmers, home-and-family-conscious folk, engaged for the most part in producing milk. These farmers believe in the efficacy of a high tariff. The wartime importation from Canada, duty free, of 150,000,000 bushels of barley, oats and wheat for feed received the hearty approval of the Grange; but it must be noted that prices were high at the time and that the resources of the feed-producing areas were being fully utilized. In such circumstances all farm people are quite willing to accept even free trade.

Under the leadership of Albert Goss, the Grange has shifted some distance from its former rôle as an outright protagonist of a high tariff, and its present position is more moderate. It now favors a two-price system for farm commodities, and it believes that this does not constitute dumping of American farm products. It wants an international political organization that leaves the rights of sovereign states intact. It favors Bretton Woods, with provisos, and accepts trade agreements if they are subject to Congressional approval. On agricultural policy the Grange is for the most part on strong ground. It sees the weak foundations on which crop control and the parity price formula rest. It favors lower support-prices and modifications of parity which would lessen certain adverse effects of parity on both domestic and foreign trade.

How firmly the lessons of the inter-war years are fixed in the farmers' minds is a question which cannot be answered. The economic crisis of the early thirties cut the farm income to nearly one-third of its pre-depression level. This shock was linked in the minds of most farm people with the disintegration of foreign trade and the Tariff Act of 1930, and these issues were discussed wherever two or more farmers happened to meet. Henry A. Wallace, first as a farm editor and then as Secretary of Agriculture, led the debate. He pointed to the new creditor position of the

United States, the inability of buyers abroad to earn dollars for the purchase of American products, and insisted that America must choose between tariff walls and trade. A healthy core of sentiment favorable to international trade developed in the middle states outside of the reaches of the *Chicago Tribune*. It was centered in a Republican hinterland dependent upon agriculture. Des Moines and Minneapolis led this movement, and it gained strength in Omaha, Kansas City, Sioux Falls and many other towns. The influential papers of the Cowles family, through the editorial pages of W. W. Waymack and Gideon Seymour, gave favorable hearings to the whole question and stressed its importance to agriculture. The Western Policy Committee gave strong support, as did professors at the University of Minnesota and at Ames. It is worth while to note that the Iowa Farm Bureau has become the most international-minded of the strong state farm organizations in the Middle West. Its leaders, Allan Kline and Mrs. Raymond Sayre, are deeply committed to the achievement of world order and peace through international coöperation.

III

An attempt to assay the position that American farmers will take in the long run on questions like those mentioned above cannot leave domestic economic policies out of account. A post-war depression in agriculture will give rise to strong nationalist attitudes among farm people; in particular, it will breed antagonism to imports. Though farm people are now giving approval to policies that enlarge the responsibility of the United States in world affairs, they are likely to oppose this program actively after the war unless this country manages to correct the growing inconsistency between trade policy and agricultural policy. Few signs exist that the United States is prepared to make the transition from war to peace without deflation and depression in agriculture. And it is well to recognize the fact that the mood induced by deflation is incompatible with a favorable attitude toward international collaboration.

Postwar agricultural production in the United States will be much larger than before the war. Exports of American farm products will drop off sharply after relief needs are met and as our Allies return to more normal sources for their supplies. Even with a high level of employment, the American market is no large enough to absorb the expanded farm production at prices

which will not cause depression in agriculture. Briefly, this is the sequence of events which we must expect: Agricultural production as a whole is not likely to contract appreciably from its wartime level; farm prices are likely to fall, as much as one-fourth or one-third (from a parity of about 115 to a parity in the neighborhood of 85); and the reduced farm income will have to be divided among more farm people, for the farm population will increase substantially as the Armed Forces are demobilized and as many of the several million farm people who went to work in industry return. (There are 1,650,000 men from the farms in the Armed Forces. Net migration from farms was 4,660,000 from January 1, 1940, to January 1, 1944.) The per capita income of farm people, therefore, is likely to drop at least one-third, and it may go as much as two-fifths below current levels. Should deflation of this magnitude occur, the result will be a depressed agriculture, despite the much stronger financial position of farmers at present and despite the marked improvements in farm practices and techniques. Indeed, the increased efficiency of agriculture, which increases its productive power, will tend to make the depression worse.

The depression will be tempered somewhat by government buying to refill the ever-normal granary and by other measures to make good the commitments of Congress to support most farm prices for at least two years after the war. It may not be as sharp or as deep as the one which struck American agriculture in 1921; but it will probably be sufficiently acute to work a great change in the prevailing state of mind among farm people on the subject of freer trade. The change will be especially great among farmers who produce products which compete (or which they believe compete) with imported commodities. Farm surpluses — fats and oils, cotton, wheat, sugar, rice and other products — will accumulate. The possibility of such a situation, with farm relief once more in the foreground, does not augur well for the adoption of broader American foreign trade policies.

It is well to recall that soon after World War I we passed the so-called Emergency Tariff Act. The political impulse that brought this Act into existence came from the farming areas, especially from the Middle West where bankruptcy and liquidation had become widespread following the 1921 crisis. The representatives of protected industries, of course, joined hands and saw to it that their tariffs were raised even further. Perhaps the results of that Act have really taught farmers the folly of raising

tariffs on farm products which we are exporting. The case for protection of the home market will certainly be made, however, and the strength of the argument will increase as the foreign demand contracts. The maladjustments which will plague agriculture at the end of the war are not easily remedied. It is not within the province of this article to outline measures for avoiding or at least minimizing the agricultural depression now in prospect, but it is relevant to point out here where the weakness of our present agricultural policy lies.

IV

Except for the loans of the Commodity Credit Corporation, farm programs from 1933 to 1941 did not create any major problems as far as the interplay between trade and agricultural policy is concerned. In 1941, however, the center of gravity in agricultural policy shifted from acreage allotments designed to control production to support-prices planned to encourage expansion. By 1944 support-prices had been extended to include most farm products. This shift in price policy has far-reaching implications for both internal and external trade. Congress has made it mandatory that farm prices be supported at not less than 90 to 92.5 percent of parity for at least two years after the war. Parity for most farm products is based on the relative price that prevailed during 1910-1914. This means that no allowances are made for changes in the structure of supply and demand that have occurred since then. The parity price formula very appreciably overvalues many major farm products, including most of the products that are on an export basis. The program of support-prices involves commitments that will preclude a satisfactory pricing of farm products for trade after the war, unless Congress substantially alters present laws.

What we have done about cotton illustrates the steps in this process and suggests the danger. We first raised the price of cotton by means of a loan that was higher than the market price; it was sufficiently high to make it apparent that we were pricing cotton above the world market. The second step was to maintain the domestic price and sell abroad at the lower world price; to do this we established a two-price sales policy. The inevitable third step will be aimed at enlarging the volume sold abroad by further price discrimination and through overt dumping. By the time this stage is reached the cotton farmer will quite obviously have acquired a vested interest not only in the appropriations em-

ployed to maintain the two-price system and to increase the dumping of cotton abroad, but also in a tariff on cotton. The tariff becomes necessary to prevent the product dumped abroad from reappearing in the American market, and to provide added protection for textile producers against foreign competitors whose raw material costs less than that used by American mills.

This price policy, which enjoys strong political support, can be made somewhat more acceptable to other countries by international commodity agreements; but it sets the stage for a profound shift in attitudes on the part of farm people. Producers in the Cotton Belt and Wheat Belt who heretofore have had a major economic interest in world trade will acquire a vested interest in a policy inimical to international trade.

What is needed is a careful reëxamination of our agricultural policy with the view of making it more consistent with a liberal trade policy. Legislation regarding the pricing of farm products must be overhauled. Parity prices as now defined by law and the way in which they are administered is not compatible with a "freer trade" policy. It is a serious mistake to proceed to adjust trade policy to fit the prevailing farm price policy.

NEW SOCIAL FORCES IN INDIA

By B. Shiva Rao

THROUGH the familiar outlines of the Moslem-Hindu situation in India one can discern a gradual regrouping of social forces. The political deadlock and the acute economic distress of the last two years have loosened old affiliations, and the fresh alignments which are being made seem likely to alter the fundamental features of many Indian problems.

To understand the changes which are now accelerating in pace we must look back to the final stages of World War I and the following decade. Until the last year of that war there was no organized trade union in India. At about the same time, the women's movement came into existence, primarily in order to claim the right to vote under the Montagu reforms of 1919. The abolition of untouchability did not become a definite program on a country-wide basis until two years later, when Mr. Gandhi assumed the leadership of the Congress Party. Peasant associations were not formed until the onset of the depression in the early thirties, when a sudden drop in the prices of agricultural commodities prompted Mr. Nehru and his colleagues to lead a no-rent campaign in the United Provinces.

The present mood of the Indian masses is vastly different from the docile and pathetic contentment which 27 years ago Mr. Montagu assumed was an almost permanent phenomenon. On every side there has been organizing and awakening. To assess the new social forces which are shaping the future of India we shall find it necessary to examine the problems of industrial labor, of rural workers and of the depressed classes. And it is important to note particularly the rôle of the Communists in the struggle to improve economic conditions for the Indian "have-nots."

II

The trade unions in India actually have barely half a million members — less than 10 percent of the number of workers in large-scale industry — but they are more influential than the size of the membership suggests. Unionization has steadily forged ahead in the main industrial centers, except in the colliery areas of Bihar and west Bengal and the tea plantations of Assam.

In the years immediately preceding the present war, Communists were increasingly successful in capturing the leadership of

unions affiliated with the Trade Union Congress. The fact is significant. For more than a decade the Communists had made little headway. A sharp internal conflict between them and the trade union leaders who sought reform through the Royal Commission on Labor brought about a split in the labor movement in 1929. It was healed eight years later, but the general strikes of that period, the long "conspiracy" trial of the Communist leaders and the economic depression produced an atmosphere of disillusion. In 1937, however, when the new Constitution and the brightening prospects of industry brought fresh hope of improvement in working conditions, the Communist leadership began to make gains.

Left-wing groups in the Congress Party had at first opposed the formation of Congress Governments. When they found themselves in a minority in the Central Executive of the party and the formation of Congress Governments became inevitable, they adopted the policy of forcing the pace of labor legislation and agrarian reform. The workers were encouraged to expect energetic efforts to carry out the party's election program of the previous year: a living wage, freedom to form trade unions, sickness and unemployment benefits, free education for children, maternity and medical relief and housing reform. Faced with the necessity of doing something quickly to prove that these promises were not illusions, the Congress Governments took the obvious first step of restoring wage cuts imposed during the depression. And in a number of provinces the larger factories among those hitherto unregulated were brought under the control of the Factory Act. Maternity benefits were extended to new areas and hours of work prescribed for shops and commercial establishments.

The Congress Party adopted Mr. Gandhi's creed that conciliation must be attempted before strikes could be called, and found Communist propaganda somewhat embarrassing, particularly in Bombay and Cawnpore. The Government was pledged to labor reform; but it could not undertake such reform without a careful review of the situation and could not permit the preaching of doctrines likely to promote civil strife. Committees of inquiry produced reports of considerable value, which enabled the Congress Ministries in several provinces to formulate policies, but their measures seemed halting and half-hearted to the left-wingers of the party, who were never reconciled to the decision to take office under the new Constitution.

The Bombay Government was sorely tested in the first few

months of its existence by a strike in the textile industry. There were 379 strikes in India in 1937, the first year of provincial autonomy, and in the following year there was serious trouble at Cawnpore in the United Provinces, where the workers demanded action along the lines of the inquiry committee's report. The outbreak of the war accentuated the labor unrest throughout India. The Congress Governments resigned in the fall of 1939 over the question of India's enforced participation in the war, and such restraints as had been observed during the two years of their administration disappeared with them. All through the summer of 1940 Communist leaders exhorted the Bombay textile workers, by leaflets and speeches, not to help the cause of imperialism.

The Nazi attack on Russia in the summer of 1941 of course wrought a profound change in the tactics of the Indian Communists, and since then they have exerted a steadying influence. On the whole, despite some prolonged strikes at centers like Ahmedabad, there has been less labor unrest than might have been expected. The wartime defense of India regulations, which have little regard for normal civil rights, are an effective instrument for the speedy removal of "inconvenient" leaders and the prohibition of unapproved public meetings. The unprecedented rise in prices was countered by the payment of "dearness allowances," in many cases amounting to more than 200 percent of normal wages. These allowances are intended to cover the difference between the normal cost of living and the artificial standards resulting from the war. Employers in India have preferred to maintain permanent wage rates at more or less prewar levels in the belief that later curtailment or even complete withdrawal of these allowances, in accordance with the drop in prices, would meet with less opposition from the workers than the lowering of wages which had once been raised. The allowances have been made possible by the boom in industry and by the Government ruling that they may be included under working expenses in the calculation of excess profits. The Government also granted special facilities to employers to build up large stocks of food, and they have been sold to the workers at almost cost price. The cost to the employer is also deductible from excess profits. This policy has given the industrial laborer a powerful incentive to remain at work, though it has made life even more difficult for others in the community.

The Government, profiting by past experience, has undertaken

a careful study of the many reforms that must be made in the postwar period. Action on housing, sickness insurance, minimum wages, freedom of association, employment exchanges and many other matters affecting labor is either in an experimental stage or under consideration. Joint conferences of governmental, employers' and workers' representatives, recommended by the Royal Commission in 1931 but at first opposed by the Government, have at last begun and may provide a quicker method of translating principles into laws. The inclusion of representatives from the Indian states will help focus attention on the lag in labor legislation in many of them.

No one can say with certainty what is ahead for industrial labor in India, though some trends seem clear. The subsidies in the form of dearness allowances and food at reduced prices are bound sooner or later to come to an end. There will also be unemployment, since the number of workers in industry has increased by about 50 percent during the war. The labor market will no doubt also be swollen by large numbers of the demobilized Indian troops who may find village life unattractive. Development of existing industries and of new ones is certain in India, but the rate of growth will be governed by many factors, not the least of which will be the availability of machinery.

After all, what has the worker to look forward to? The vast majority of the workers are unprotected by labor laws, and the enforcement is scandalously lax even within their narrow limits. There is no minimum wage, and most workers are paid much less than is needed to provide them with an adequate diet. Milk, vegetables, fruit, eggs, meat are unobtainable, except at prohibitive prices. The workers are hopelessly in debt; they pay interest rates ranging to 150 percent and more. The phenomenal population increase in the industrial centers has caused a further deterioration in housing conditions, incredibly bad even in peacetime.

The response of Indian labor to these problems will be affected by an important new factor. During the present war, the Government has opened hundreds of technical institutions for training young men who possess secondary education as skilled workers. Tens of thousands of such men, now engaged in war work, will later be absorbed into industry. One of India's greatest industrial needs in the past has been sufficient numbers of skilled personnel. The deficiency is rapidly being made good by the opportunities created by the war, but these same men will demand far higher standards of wages and housing than employers have been ac-

customed to concede. They come from a class very different from the landless, superfluous villagers who have filled the entire demand for industrial labor for many decades. They will provide experienced and resolute leadership for the trade unions of the future; and they certainly will not tolerate present conditions.

III

It is not possible to be precise in analyzing the problems of the peasants and their efforts at organization. *Kisân Sabhâs* — peasant associations — came into existence in the United Provinces, Bihar, Bengal and Madras during the depression. In outlook and technique the peasant associations were radical, but at first they were not organized on a country-wide basis. Mr. Nehru's campaign for non-payment of rent in the United Provinces in 1931 was in a sense remarkably successful, but the problem was too vast and complex to yield to such a simple and localized solution. During the depression, rural indebtedness almost doubled in volume, reaching approximately 600 billion dollars (reckoned at current rates of exchange). In the course of a decade about 5,000,000 acres of cultivable land passed into the hands of the non-agricultural, money-lending classes.

Agrarian reform was inevitably the main plank of the Congress Party's program for the 1937 election, the first to be held under the new constitution. On the eve of the elections, Hindu and Moslem landlords had formed the National Agriculturists' Party — the Moslem landlords preferring it to Mr. Jinnah's Moslem League. The electorate had been expanded from less than 9,000,000 to more than 35,000,000. The peasants' vote was one of the factors responsible for the sweeping successes of Congress candidates in the United Provinces. Congress Ministries followed a policy of reform which in some respects was bold. Rents and rates of interest on loans were appreciably scaled down; forced labor, wherever it existed, was abolished; unauthorized exactions in cash and kind — which through long practice had acquired the sanctity of custom — lapsed; and in some provinces, a moratorium was declared on debts contracted in the pre-depression period. These reforms, plus legislation to secure fixity of tenure for certain classes of tenants, represented more vigorous action than had ever been attempted in this field by any previous administration in India. But the net result of these measures meant to improve the status and the economic conditions of the peasant showed that the real problem lay too deep to be solved by

palliatives. In some parts of the country, the customary sources of rural credit began to dry up as a result of Congress policy. Since there was no other source from which the peasants could get credit, they were left in an even worse plight than before. Nor, it must be added, did these reforms touch to any great extent the most exploited section of agricultural labor, the landless cultivator.

The economic strain of this war has made the question of the abolition of the "permanent revenue settlement" and of the landlord system an unavoidable issue. Under the former, introduced in Bengal by Lord Cornwallis in the closing years of the eighteenth century, a chain of middlemen has grown up between the landlord and the tenant. These middlemen have no direct interest in the land and are concerned only with obtaining maximum rents. The system has proved a colossal failure, depriving the state of an expanding source of income and depriving the tenant of all incentive for improving the land. The demand for abolition of the system was regarded as dangerously revolutionary, when it was raised by Mr. Nehru 15 years ago. Today he and his associates are on much stronger ground. An official committee in Bengal recommended the abolition of the permanent settlement in a remarkable document published in the early stages of this war. It would be surprising if the Bengal Famine Commission, faced with the tragic consequences of a system which deprives the peasant of a direct interest in the improvement of the land and a hope of improving his standards of life, came to any other conclusion. The British have evaded this primary issue for fear of offending the susceptibilities of the landlords. But the problem must now be solved, not only because the villager is rapidly becoming conscious of his political rights and economic interests, but because postwar reconstruction plans for India are meaningless unless the peasantry is prosperous.

IV

The other manifestations of social discontent may be more briefly mentioned. The problems of the depressed classes, who number at least 50,000,000, are largely inseparable from those of agricultural and industrial labor. So old and deep-rooted a social evil as untouchability cannot quite disappear in a quarter of a century. But all provincial governments under the new constitution — and to a lesser extent, their predecessors — have to their credit a series of measures which must ultimately wipe out this

evil. Five of them, for example, all under the Congress Party, made education free for the depressed classes from the elementary schools to the highest grades in government institutions. Bombay and Madras, where untouchability still exists, instructed all officials to tolerate no civic disabilities on the ground of caste or religion; and special coöperative societies have been formed in these provinces for supplying credit and facilitating the acquisition of house sites for the depressed classes.

Education, the steady pressure of public opinion backed by the influence of the state, the exercise of the vote and, above all, the emphasis which class organizations like trade unions and peasants' associations place on common economic interests without regard for caste or race are substantial factors tending to remove the barriers of untouchability. The Hindu caste system is, in fact, being subjected to a many-sided attack. But for the war, the far-reaching changes embodied in the codification of Hindu law would have attracted attention outside India. The codification is not just a legal process of combing out the intricacies and the anomalies of case law built on the judicial pronouncements of British-established courts. Subject to the final sanction of the Indian legislature it seeks to embody a number of reforms, such as monogamy, divorce and women's right to inherit property. The cold language of legal provisions in the proposed code conceals a great departure from the conservative interpretation of Hindu texts by judges. It is not too much to say that when the code comes into operation a new era will begin.

v

So much for a brief résumé of some of the major social forces now at work in India. Where will they take India in the postwar world? The urge toward equality, amounting almost to a passion, is perhaps the most striking characteristic of the Indian temper today. It is both a demand for equality with the other nations and races of the world, and an urge to abolish political, economic and social discrimination at home.

India's progressive forces were split, however, when the Communists relegated independence to a secondary rôle after Russia's entry in the war. Following the breakdown of the Cripps negotiations in 1942 there was a marked change in the Indian Government's attitude toward the Communist movement. Many Communist leaders were released from prison and permitted to resume their activities, which included building up a chain of papers

published in Indian languages, all of which took their policy and much of their material from an admirably conducted weekly in Bombay, *The Peoples' War*. The arrest of Messrs. Gandhi and Nehru and thousands of workers loyal to the Congress Party in August 1942 proved a severe test for the Communists. Had they used their recently acquired control over the trade union movement to further Mr. Gandhi's program, industrial strikes might have caused serious embarrassment to the war effort. But, as we have noted, they preferred to exercise a steadying influence on the workers. Many of the Socialist leaders, on the other hand, threw themselves into the political struggle, and those who were not arrested or detained disappeared underground. The Communists themselves paid a heavy price for the invaluable support which they gave the British when the Congress Party's challenge was formidable. Communism has been at a discount in the last two years among the young men and women in the universities because of its failure to support the Nationalist struggle in 1942. The Socialists, who made common cause with the Communists before the war, will not easily forget their defection at a critical time. And the fact that many employers in dealing with the workers have taken unfair advantage of the coöperative attitude of Communist union leaders is also held against the Communists.

The Indian Communists are now working for limited and non-controversial objectives, waiting for the memories of 1942 to recede. The famine in Bengal and the scandals connected with the food shortage in other parts of India during the last 18 months gave them a chance to create peoples' committees for the better distribution of stocks and better control of prices. They have made full use of these opportunities. Their program calls for the release of the Congress leaders, a Gandhi-Jinnah settlement as a prelude to the formation of a National Government (which would, of course, give fullest support to the Allied cause), effective rationing of food and suppression of hoarding and black market operations. Thousands of young men and women are working with enthusiasm on such a program and cheerfully undergoing the hardships of a wartime life on eight dollars a month.

Meanwhile, the Communists are spreading out into new organizations, hoping to capture as many as possible. They have for some time been in key positions in the Trade Union Congress. They have failed to make headway in the Congress Party (especially since Mr. Gandhi's release). Communism, as such, makes little appeal to the followers of Mr. Gandhi, with their

creed of non-violence. But the process of infiltration is meeting with a measure of success, notably in the Moslem League. Mr. Jinnah laid down the principle that there must be no divided loyalties for Moslem Communists, but a number of ardent Moslems who joined the League after severing their connection with the Communist Party are undeterred by this condition of membership. In the Punjab, the clash between Mr. Jinnah and the pro-landlord Unionist Ministry during the summer of 1944 compelled him to look for allies in the rural areas. Later in the year a manifesto of the Punjab Moslem League was published in Lahore, presumably in preparation for the general elections in that province. It was a remarkably progressive and indeed, in some respects, a radical document, pledging the League to the economic advancement of the cultivator and shifting the main burden of taxation to the landlord.

A similar reorientation of the Moslem League, also initiated by the Communists, seems to be under way in other parts of India where the economic strains of the last two years have been severe. Mr. Jinnah is repeatedly asked by some of his followers at party meetings whether the Moslem League represents the interests of the landlords or of the peasants. Until recently, the League was largely the mouthpiece of economic vested interests, but after all, the Moslems, far more than the Hindus, are the have-nots in India. Mr. Jinnah, bereft of his old allies, the landlords, may find it necessary to revise his policy and program.

Two factors which may play a large part in determining India's future cannot now be estimated. The first is the question of Mr. Nehru's attitude toward the Socialists and the Communists after his release; so far he has identified himself with neither. The second is the question how long the Indian Communists will continue their truce with British imperialism after the war. But even apart from changes which may or may not come from these two sources, important realignments of social forces are already discernible in India. The attention of the outside world has so long been riveted on Hindu-Moslem differences that the development of these new forces has received little attention. The significant fact for the future in India is the probability that the Hindu-Moslem question may be transformed by economic considerations, and that the have-nots — Moslem, Hindu and Untouchable — will take their own line. Such a development would put the question of India's future in very different terms from those outlined by the middle-class approach of today.

OUR MINERAL RESOURCES AND SECURITY

By Elmer Walter Pehrson

THE strength of the United States in war, and its peacetime standard of living that is the envy of the world, are based on deposits of coal, iron and other minerals. Shortages that threatened serious repercussions on the battle front are a grim reminder of the tremendous extent to which modern armies depend on an ample supply of metals and mineral fuels. And the inconveniences resulting from fuel and gasoline rationing and from the wartime scarcity of radios, refrigerators, automobiles, communication facilities and mechanical household equipment emphasize our peacetime dependence on minerals. We have come to regard these machines and appliances — all largely fabricated from minerals — as essential to everyday life. The question of mineral resources, therefore, is fundamental to our economic and military security, and the maintenance of a sufficient supply, at reasonable costs, is a major consideration in the determination of national economic policies.

In the past the problem of mineral resources has not given the United States much concern. Imports were relatively small and readily available. The minerals that are basic to our industrial economy and most of the subsidiary ones have been obtained from domestic sources in ever-increasing quantities. This tremendous growth in mineral production has made possible our outstanding advance as an industrial nation. From 1880 to 1944 the value of the annual production of the mining industry increased 16-fold, from one-half billion to eight and one-half billion dollars. But the demands of this war overtaxed our capacity for production and forced us to increase imports greatly. We have at length perceived the inexorable truth that mineral deposits can be used up, and that they have in fact diminished in proportion to the speed with which we have developed our industrial strength. The extent to which our basic mineral position has been impaired by the tremendous depletion of the past 60 years is a highly significant question.

Opinion on the extent of this depletion differs widely. Some spokesmen maintain that the United States will soon be a "have-not" country in regard to minerals and that our position is precarious. Others dismiss such fears as ridiculous and hold that

our resources are comparatively untouched. In an endeavor to get at the facts, the Department of the Interior through its Geological Survey and Bureau of Mines about a year ago undertook a broad appraisal of our mineral reserves.¹ The preliminary results of this survey indicate that neither of the foregoing viewpoints is correct. The mineral resources that are basic to our industrial economy are far from exhaustion, but depletion is well advanced in a number of important subsidiary minerals. Certainly it is clear that a policy of drift and a refusal to face the realities would be dangerous.

But before summarizing the results of the inquiry, it is important that some of the uncertainties involved in estimating mineral reserves should be pointed out. Evidence of the existence of mineral deposits varies in reliability. Many deposits are so thoroughly exposed by mine workings or drill holes that their size, shape, content and grade can be determined with accuracy. In the idiom of the mining profession these are classed as "measured" or "proved" reserves. Other deposits are incompletely developed so that estimates are computed partly on engineering data and partly on geological evidence; these are called "indicated" reserves. Still others are virtually undeveloped and quantitative estimates must be based largely on geological evidence; such deposits are known as "inferred" reserves. With the exception of petroleum and natural gas, for which only estimates of proved reserves are available, all three classes are included in the estimates used in this analysis. The interpretation of geological evidence involves individual judgment to a considerable extent and consequently introduces a degree of uncertainty into the estimates.

Mineral deposits are classified as "commercial" or "submarginal," but this grouping also lacks precision. Many of the factors involved, such as trends in technology, costs of production, prices of mineral products, and the future volume of production, can be estimated only in broad terms. In general, the phrase "commercial reserves" is used here to represent mineral resources available under present technologic practices and economic conditions, with prices equal to or moderately higher than good pre-war prices. Estimation of submarginal resources, therefore, is highly speculative. Because of these uncertainties, calculations

¹The estimates of reserves offered in this paper were made by colleagues of the author in the United States Geological Survey and the Bureau of Mines. The author can take credit only for the interpretation of the estimates.

of commercial and submarginal reserves should not be regarded as setting fixed limits for future mineral yield, but rather as rough approximations of what may be expected. As such they provide a practical basis for the discussion of questions of mineral policy.

It is generally agreed that the areas of the United States which may contain minerals have been extensively explored and that most of the surface deposits, or deposits whose presence is indicated by evidence on the surface, have been located. Additions to the national reserve must therefore depend largely on the discovery of deep-seated deposits. Some experts believe that

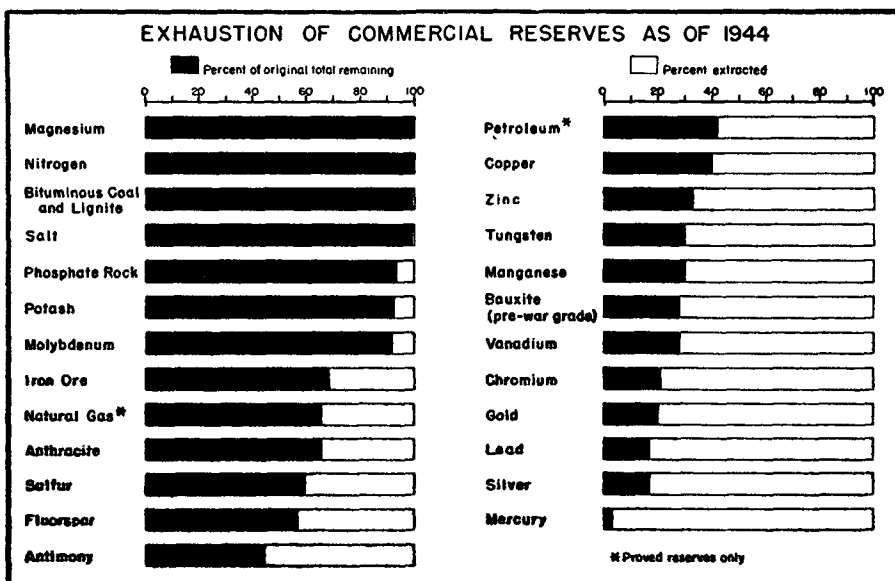


Figure 1. Proportion of United States original commercial mineral reserves remaining, 1944.

noteworthy "blind" mineral deposits will be found by geophysical methods of prospecting; such methods are costly, however, and the risks involved are great. Discoveries of concealed resources will doubtless be made, but the outlook does not warrant the assumption that the reserves as now estimated will be enlarged greatly.

II

What, then, are the primary facts about our mineral resources? Figure 1 shows the degree to which the original commercial reserves of 25 important minerals were exhausted as of 1944. The significant features are the relatively slight exhaustion of coal,

the mineral most essential to our industrial economy; the favorable position in regard to nitrogen, phosphate rock and potash, the minerals so necessary to maintain fertility of soil in our agricultural regions; the substantial proportion of our iron ore already consumed; the advanced depletion in petroleum and natural gas; and the seriously depleted state of most of our metalliferous resources. It should be noted that the percentages of original reserves of petroleum and natural gas remaining are unduly low because they are based solely on proved reserves

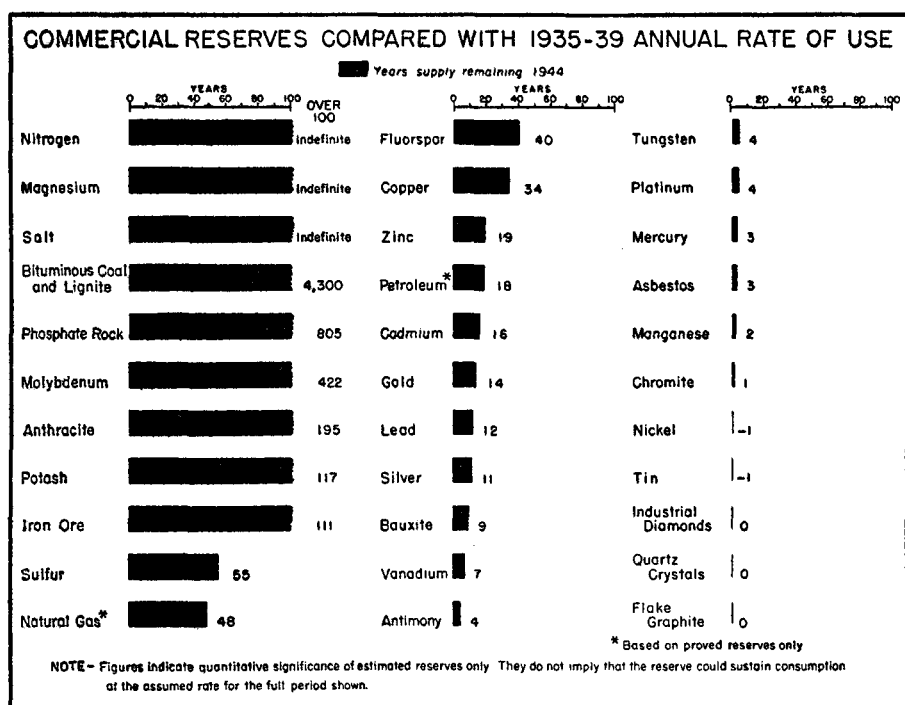


Figure 2. United States commercial mineral reserves, 1944, shown in terms of annual average rate of consumption, 1935-1939.

and therefore do not reflect unknown quantities of oil and gas that are available in indicated and inferred reserves.

In Figure 2, remaining commercial reserves of 33 minerals are expressed in terms of years' supply at the average annual rate of use from 1935 to 1939. The reader must be warned that these proportions are meant merely to suggest the quantity of reserves; they do not mean that production capable of meeting the pre-war rate of use can be carried on for the full periods shown. As minerals become exhausted production tapers off; it does not go

abruptly from full production to nothing. The point at which the United States ceases to be capable of self-sufficiency in these commodities will be reached long before the resource is exhausted.

As the chart indicates, reserves of nitrogen, magnesium and salt are so large that for practical purposes they may be considered inexhaustible. The enormous extent of our coal resources is clearly indicated by the 4,300 years' reserve; and commercial reserves of phosphate rock, molybdenum, anthracite, potash and iron ore all exceed a century's supply at the prewar rate of use. But of the remaining 24 minerals, we have a 25 to 100-year supply of only four, a five to 25-year supply of eight, and less than five years' supply of 12. To put the situation in somewhat different and harsher terms we might note that 35 years is only a little more than the usual interval between wars, and that we have less than a 35-year supply of 21 of the 33 minerals. In this group are the vital products petroleum, copper, lead and zinc.

Let us analyze in more detail the situation in regard to these principal industrial minerals. First come coal, iron and petroleum. Then the secondary groups — copper, lead and zinc, and tin, antimony and mercury; and then the ferroalloys, the precious metals and the chemical raw materials. When we have examined the outlook for the supply of these we should be able to make some conclusions as to the policies that seem wise for the future.

The military power and the economic well-being of the United States are based on coal. Coal is essential in the production of steel, and coal and steel together are the sinews of industrial life. The principal coal-producing regions of the world lie in the United States, England, Russia, Japan and western Europe; and the reserve of the United States is the largest in the world. Even so, we are using it extravagantly. A large part of our anthracite is gone already. We also endure without concern a 30 to 40 percent loss in the process of mining coal, much of which could be avoided. We have none too much high-grade coking coal — essential in steel manufacture — yet we use it where other kinds would do; we have never really bothered to find out just how much of it we have. Liquid fuels can be made from coal, and we may have to draw on our reserves for this purpose; when we do, we shall use up our coal three times as fast. We are magnificently endowed with coal, and there will be no serious shortages for centuries. Nonetheless, prudence in the spending of this resource is the part of wisdom.

Our commercial reserves of iron ore are much less extensive, but

are nonetheless great, and are equivalent to a 111-year supply at the prewar rate of use. Enormous quantities of submarginal ore could contribute an additional thousand-year supply, given the necessary technological improvement in methods of extracting and processing it. Approximately a third of the commercial reserves and more than 90 percent of the submarginal reserves are found in the Lake Superior district.

The great direct-shipping ores of the Mesabi Range of Minnesota are nearly exhausted. At the 1944 rate of production the open-pit mines would last only 11 years more. This is our best ore, since the deposits can be mined cheaply and the ore used without prior treatment in smelting pig iron. And the ease with which production in the open-pit mines can be expanded to meet an emergency demand has made them an invaluable national asset. The alternatives with which we shall soon be faced are the utilization of lower-grade ores — which means building large plants in which to treat them — or dependence upon imports. The former would be costly, but the latter would be dangerous in time of war. American engineers doubtless will solve the problem of developing the low-grade ores.

This paper attempts only to summarize the outstanding elements of the complex petroleum problem. The American Petroleum Institute estimates that proved reserves are approximately 20 billion barrels — about a 12-year supply at the 1944 rate of extraction. The demand is mounting and there is much concern about the declining rate of new discoveries. Most experts expect that more oil will be discovered: Wallace E. Pratt ventures an estimate that the ultimate yield will be at least 100 billion barrels — in other words, about 70 billion barrels more than we have so far consumed and the equivalent of about a 40-year supply.

If future discoveries fail to remedy the situation we must either import petroleum or make it from certain raw materials. To import it, from the Caribbean area or elsewhere, would be the least expensive procedure, though obviously an unsatisfactory solution from the point of view of national security in time of war. A combination of the two policies seems advisable. We shall probably begin to import at least a moderate amount of petroleum in the near future, and at the same time we should attempt to expand our domestic production by the secondary recovery of petroleum from depleted oil fields and the production of synthetic liquid fuels from natural gas, tar sands, oil shale and coal. In the aggregate these resources represent an enormous reserve, but the

cost of the secondary or synthetic products would be considerably higher than present costs of gasoline and other fuels produced from crude petroleum. Some proved oil fields should be set aside as a national reserve, and we should establish at least the nucleus of a synthetic fuel industry which could be expanded to meet our national needs in an emergency. Congress has already authorized the Bureau of Mines to set up large demonstration plants.

Self-sufficiency in the important secondary minerals copper, lead and zinc ended with the war. Despite the payment of substantial government subsidies, production of lead and zinc declined in 1943 and 1944, and production of copper fell off in 1944. Fortunately, we were able to obtain all three from abroad. Depletion of reserves was the primary cause of the shortages, though there were various contributing factors. We can be self-sufficient in copper for a few years after the war: estimates of commercial reserves indicate that the present rate of copper production can be maintained for about ten years if reasonably good prices prevail. Production of lead and zinc may be expected to fall substantially below prewar levels within a few years, with increased dependence on foreign sources an inevitable consequence. Submarginal reserves of these metals do not appear to be large, even if future developments make them commercially available.

Our position in tin, antimony and mercury is still less secure. The United States has no commercial reserve of tin and an inconsequential submarginal reserve; it is entirely dependent on foreign sources of supply and is destined to remain so. Antimony, used chiefly in electric storage batteries, in anti-friction alloys and for flame-proofing textiles, is available only in small quantities and there is little hope of improving the size of our reserve. Domestic production of mercury reached a peak as far back as 1877, and it is estimated that only 3 percent of the original commercial reserve remains. Submarginal reserves even at prices four to five times higher than normal are estimated at less than a 15-year supply at the prewar rate of consumption. This unique metal has many war uses — in pharmaceuticals, explosives, anti-fouling paint for ship bottoms, electrical apparatus, industrial control instruments, and dry cell batteries for flashlights and signal equipment.

The ferroalloying minerals impart hardness, strength, resistance to corrosion and other special characteristics to iron. They are, therefore, extremely important in this age of steel. The United States is deficient in manganese, chromium, nickel,

tungsten and vanadium, but has a large export surplus and extensive commercial and submarginal reserves of molybdenum. Figure 2 indicates that commercial reserves of the first five metals are extremely small in terms of annual requirements. Submarginal reserves of manganese and vanadium are estimated to exceed a 200-year supply, and afford a measure of safety against shortages of these strategic materials in future emergencies; their development may even eventually provide a basis for peacetime industries. There is little hope of an improved position in regard to reserves of tungsten. Commercial reserves of chromite and nickel are virtually nonexistent; submarginal resources of the three metals are small.

The outlook for the light metals varies. Ocean water and underground brines are used in the United States to make magnesium, and the supply is of course unlimited. Aluminum, however, is made commercially only from high-grade bauxite; domestic reserves of this are very small and we shall no doubt have to depend on foreign sources. The United States has more than a 100-year supply of low-grade bauxite, but aluminum could not be produced at competitive prices from this material under normal conditions. Aluminum can also be made from clays and other minerals which are available in large quantities in the United States, but, again, not competitively.

Commercial reserves of gold and silver at present prices are relatively small and a decline in production from prewar levels may be expected. Submarginal resources which could be utilized at considerably higher prices offer hope only for moderate improvement in the reserve position. A substantial part of the commercial reserves of these precious metals is in ores valued chiefly for their copper, lead and zinc content; about 15 percent of the peacetime production of gold and 60 percent of silver are obtained as by-products from these ores. The future output will depend to a considerable extent on the rates at which the base metals are produced. The United States produces only a small part of the platinum it uses, and even this output will probably decline within a few years.

We need not be concerned about the supply of chemical raw materials. Air and water are inexhaustible sources of nitrogen, hydrogen, oxygen and a variety of rare gases that have important specialized uses. Air, water and coal provide the major elements required in the new and rapidly growing industries engaged in the production of synthetic plastics, rubber, textiles

and allied products. The fertilizer requirements of the nation are satisfactorily provided for by our large resources of nitrogen, phosphorus and potash. Air and cheap power give us an abundant supply of synthetic nitrates, and our commercial reserves of phosphate rock and potash are substantial; the submarginal deposits of these minerals also are very large. Sulfur and salt are major chemical raw materials, and the nation has abundant supplies of both. Fluorspar and barite have important war uses and are available in quantities sufficient for several decades. Fluorspar is used in the manufacture of chemicals and glass and as a flux in the smelting of steel. Barite, a heavy mineral, is used chiefly to weight oil well drilling muds so as to prevent blowouts of oil and gas.

In concluding this *résumé* of our mineral resources, deficiencies in several nonmetallic minerals should be mentioned. Long fiber asbestos has highly strategic uses because of its extreme resistance to heat; it is used in textiles for automobile brake-bands and clutch facings, and high pressure gaskets employed in steam machinery and power plants. Domestic resources of this vital material are very small. Although quartz is a very common mineral, the variety of pure clear crystal that can be used in radio and telephones is rare; commercial reserves in the United States are virtually nonexistent. Without suitable supplies of quartz crystal, modern military and civilian communications would be seriously handicapped. Industrial diamonds are the hardest of the natural abrasive minerals and are thus indispensable for high-speed precision cutting and grinding operations; the United States has inconsequential commercial and submarginal reserves. High quality flake graphite, used in the manufacture of heat and corrosion resistant crucibles and retorts for the metallurgical industries, has not been found in the United States. We have fairly large reserves of noncommercial off-grade flake graphite that could be drawn upon in an emergency, but its use would be costly and the products made from it inferior.

III

We may summarize briefly the significance of the foregoing facts and trends. Figure 3 shows the relation of production to consumption for 33 important industrial minerals in the United States during the five-year period 1935-1939. This is the record of the nation that enjoyed greater self-sufficiency in minerals than any other important industrial country, yet it reveals several

major deficiencies. Because of the irreplaceable nature of mineral resources, a gradual trend from a "have" to a "have-not" position is an inescapable consequence of industrial development. Some of our "blue-chip" mineral resources are critically depleted and our position will shift even more in the "have-not" direction after the war.

Before the war the United States had an export surplus of nine of the 33 minerals for which data are shown. Comparison of available reserves with probable postwar domestic requirements suggests that we can continue to export all but two of the nine

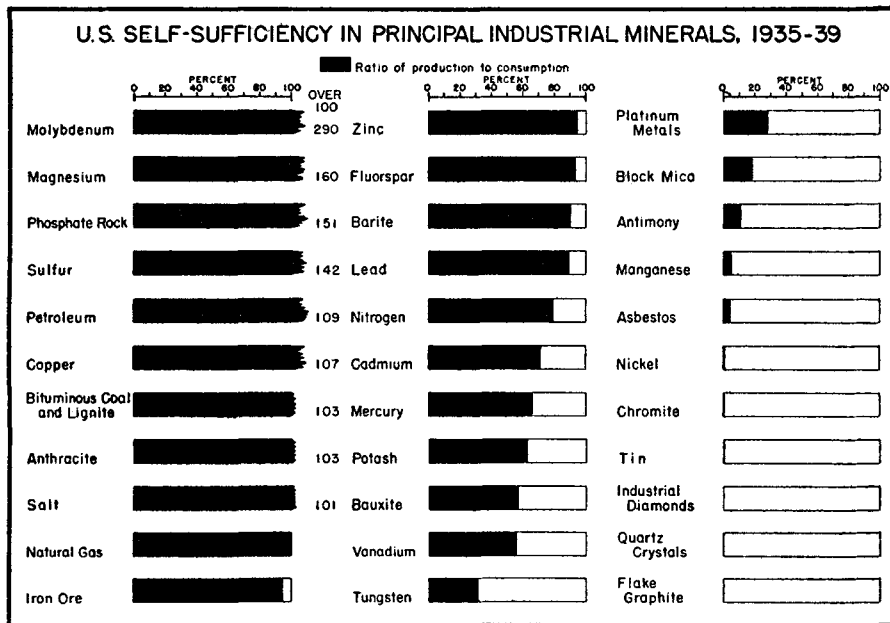


Figure 3. Ratio of production of chief mineral products to consumption, 1935-1939. Building materials (stone, cement, lime, etc.) not included.

for some time. Within a decade we shall be in a net import position for petroleum and copper. No change in the status of natural gas is expected, as that commodity does not enter world trade to any appreciable extent. We can improve our position in iron ore, barite, nitrogen, potash, and possibly fluorspar if we wish to. We shall, however, be more dependent on foreign sources of zinc, lead, cadmium, mercury, bauxite, vanadium, tungsten, platinum and block mica in the near future. Supplies of the remaining commodities are now chiefly imported and will continue to be obtained abroad. Submarginal resources of bauxite,

manganese, vanadium, flake graphite, chromite, nickel and mercury could be utilized to give us self-sufficiency under emergency conditions and at high prices. And we have relatively large submarginal reserves of manganese, vanadium and off-grade bauxite and other materials from which aluminum can be made. The outlook is not threatening to national security provided we use necessary foresight, and provided the doctrine of equal access to raw materials enunciated in the Atlantic Charter is made effective.

A word about the much-discussed question of substitutes is perhaps in order. World shortages of minerals are not imminent, and as long as world trade remains reasonably free, minerals will be available to United States consumers at competitive prices even if domestic resources fail. For this reason, and because it is more difficult to find satisfactory substitutes than is popularly supposed, replacements of minerals by substitute products are not expected. Eventually, when world resources become inadequate to meet demand, prices will rise and the incentive for substitution will increase. Science and invention may be depended upon to provide adequate substitutes when mineral supplies are exhausted, but these developments will come slowly.

Hydroelectric power and solar heat can be used in place of mineral fuels, but only limited quantities of the former are available at acceptable costs and the latter is still far from a reality. The possible substitution of coal and other minerals for petroleum as a source of liquid fuels has been mentioned above. Metals compete with each other to some extent, but each has unique properties that make it superior for specialized uses. Substitution of aluminum and magnesium for other metals has progressed and probably will increase, but these light metals have been used chiefly in new products such as aircraft, to which their unusual properties are especially adaptable. Much has been said of the possible substitution of aluminum for steel in automobiles, but a contrary view holds that the alloy steel airplane will perhaps be developed before the aluminum automobile. Plastics provide substitutes for some mineral products, but as yet offer no likelihood of being put to major use; their ultimate significance as replacements for minerals probably will be small. The potential effect of substitutes on the mineral position of the United States may be regarded as of minor importance. Nevertheless, research designed to substitute the more abundant and replaceable materials for scarce and irreplaceable minerals at reasonable costs

should be encouraged in the interest of conservation and as protection against shortages in a national emergency.

IV

What changes in national policy seem advisable in the light of our decreasing supply of minerals? The question may be examined under four main headings: conservation, national defense, maintenance of peacetime supplies, and tariffs.

The extreme proposal sometimes made that mineral production should be stopped in order to conserve the resource in the ground for future emergencies or for posterity does not merit serious consideration. The waste of minerals, capital losses and social problems involved in such a program make the cost too great. But we need conservation policies keyed to the prudent use of irreplaceable resources. Americans like to praise conservation as a principle but dislike to pay the costs of putting it into practice. In particular, we must concentrate on the prevention of waste; the search for improved methods of mining and manufacturing that will reduce both waste and costs should be encouraged. The tremendous wastage in coal mining has already been mentioned; even larger losses are suffered in the extraction of petroleum, and there is room for improvement in the mining and processing of metals. Technical progress and the scrap metal industry are the greatest forces of conservation today, and the further development of both should be stimulated. A knotty aspect of the problem of conservation is that increasing labor costs and mounting taxation — inevitable accompaniments of social progress — prevent the mining of marginal ores and are thus anti-conservational. Solutions for this conflict of objectives lie beyond the scope of this paper. Coöperation between government and industry can, at any rate, do much to remove most of the damaging waste of our mineral resources. Conservation also requires elimination of cutthroat competition, stabilization of prices and production, and the prevention of frivolous uses of strategic minerals.

Dependence on supplies of raw materials from overseas poses a serious problem of national defense. To meet it, Congress has at various times authorized the accumulation of stockpiles of strategic materials. While a good start has been made, action to date is inadequate. The stockpiling program should be greatly expanded and implemented at the earliest possible date. Since the primary objective of stockpiles is to increase our reserves, they should be accumulated from foreign sources. But it is difficult to

determine the raw material requirements of a future emergency, and our security in strategic minerals cannot rest entirely on stockpiles. Our marginal and submarginal resources provide a second line of defense. Exploration for new deposits and appraisal of known resources should be carried on vigorously, methods for processing these materials should be perfected, and plans made for emergency production. Search for emergency substitutes should also be stimulated; as we have suggested, it is not unreasonable to expect that such a program might lead to the development of new peacetime industries.

Maintenance of peacetime supplies is no less essential than provision for emergencies. The government can perform constructive services that foster the flow of raw materials from domestic and foreign sources. In the domestic field it should assume some of the risk involved in the search for new mineral deposits. Recent experience indicates that prospecting and exploration are reaching marginal limits, and it is becoming more difficult to justify the expenditure of private funds for these purposes. Through a systematic geological and exploration program the Government can provide basic data for mineral producers and can at the same time develop a reliable inventory of the nation's mineral resources that will be helpful in planning for the future. Basic technological research should also be carried on by the Government in an effort to reduce costs, improve recoveries, and develop new and cheaper methods of bringing marginal resources into commercial production. All these activities provide a form of insurance against future shortages, and their cost to the public is fully justified. It is also entirely proper for the Government to assist American capital in obtaining minerals from abroad, through fact-finding services and through efforts to see that our enterprises receive fair treatment.

The mineral industry as a whole is not highly protected by tariffs. However, consumers have been forced to pay considerable premiums to maintain some marginal industries, and there has been little compensating benefit, either in the promotion of national self-sufficiency in strategic materials or of employment. Where the size of reserves indicates that there is little hope of expansion in such industries the tariff should be removed. If the subsidy is to be continued, it should be paid directly by the Government, and the consumer given the benefit of a world price.

In another group of minerals, including copper, lead and zinc, a large measure of self-sufficiency has been maintained for many

years with moderate tariff protection. But as we have noted, dwindling reserves will cause a decline in the production of lead and zinc in the near future, and in copper in about a decade. Import duties on lead and zinc already have been reduced under the Reciprocal Trade Agreements. Before further cuts are made consideration should be given to the social and economic consequences they entail. Because costs are higher in the United States, the tariffs for these commodities have been highly effective and additional reductions would result in heavy unemployment in the producing districts and depression in the neighboring regions. Mining is usually the only occupation in such regions, and severe problems of stranded population could be expected; there would also be waste of resources and large capital losses. To cushion the effects of unemployment and to avoid the other losses, a fixed long-range tariff reduction program designed to coincide as closely as possible with the exhaustion of resources should be adopted. Because of the uncertainties of the immediate postwar years and the peculiar circumstances that pertain to mining — wasting assets and isolated one-industry communities — prewar tariffs on minerals in which the nation is now largely self-sufficient should be guaranteed for at least five years. Following that period there should be a regular progression to free trade, according to a predetermined schedule. Under such a program mineral producers could plan their operations more effectively than they can amid present tariff uncertainties.

The mineral resources of the United States, deficient as they are in some respects and seriously depleted in others, are still outstandingly great and assure a sound basis for an industrial economy for many decades. Nevertheless, we shall increasingly depend on foreign sources for some minerals, particularly metals and petroleum, unless large discoveries prove that present estimates of reserves are in error. Such discoveries are believed to be possible but not probable. National policies should be based on these facts and probabilities.

THE BRITISH LABOR PARTY: PROSPECTS AND PORTENTS

By A. L. Rowse

IN the long run, as well as in the short, the prospects of the British Labor Party will be determined by the war. What has the effect of the war on the Party been, and what will its consequences be?

One can already see that this war's effect will be different from that of the last one, just as the rôle of the Party in this war is in some contrast to the part it played last time. The war of 1914-1918 made the political fortune of the Labor Party. In the "khaki" election of 1918, Labor scored more than a million votes — to everybody's surprise and to the alarm of the older parties. Five years after the Armistice, with the election of 1923, it became the second largest party in the state, displaced the famous (and altogether abler) Liberal Party as the official opposition, and for the first time took office as a government.

Lloyd George in his "War Memoirs" makes the point that it would have been quite impossible to conduct the war against the will, and without the coöperation, of the labor movement; and indeed it was directly represented in his Coalition Government. All the same, the labor movement was never happy in its participation in government in the last war. It was very much a junior partner; its Ministers — it had only a couple of them — were on sufferance; and its leading political figures, MacDonald and Snowden, remained outside altogether and were partly opposed to the war.

What a contrast with the situation this time! The Churchill Government which was formed in 1940 — right in the midst of the disasters brought upon the country by the inept conduct of British affairs since 1931 by the so-called National Government — was based on the principle of equal participation in the Government between the Conservative and Labor Parties. And in the marvellous record of work and achievement to the credit of this Government — which simply saved the country from the gravest danger that has threatened it in the whole of modern history — the Labor Ministers have borne an equal share. There has been a rough, but very successful, division of work. On the whole, the conduct of the war and of foreign affairs has fallen to the Conservatives, above all to Churchill and Eden. The management

of the home front and the organization of labor have fallen to the Labor Ministers, above all to Bevin and Morrison.

This part of the job has been one of the triumphs of this war, and again offers a great contrast with the events of the First World War. In the war of 1914-1918 there were a great many labor disputes, some dangerous strikes and much labor-time lost. In this one, the prodigious feat has been performed of mobilizing and conscripting not only the whole manpower of the country, but the great proportion of women too, directing them into the Armed Forces or into industry, and with the minimum of dislocation. There has been hardly anything important in the way of strikes or labor disputes throughout the whole war.

This achievement has been largely due to Bevin, the Transport Workers' leader, who became Minister of Labor in 1940. From the historical point of view, it is probably true to say that his contribution to the winning of the war has been second only to that of Churchill himself. He is much the biggest of the Labor leaders, a man of essentially constructive mind and with great administrative drive. In the inter-war years he built up the newest and most efficient of the trade unions, the Transport and General Workers' Union, and behind the scenes has been a dominating influence in the Labor Party. But he is not a politician as such; he is essentially a trade unionist and an organizer, with a very shrewd sense of what the working classes will and won't stand. Labor could have had no more benevolent dictator during the war — and he has been a dictator.

The clue to Bevin's success has been that he has made every step in association with the trade unions. He has consulted them continuously and brought them in a responsible way into the work of government. He has used to the maximum their reserves of good will, common sense and experience. This was indispensable, for the conscription of labor has meant the temporary suspension of trade union conditions all round, particularly with regard to hours. On the other hand, where Bevin has been able to take advantage of wartime conditions to introduce unionism into a type of employment notoriously disorganized, haphazard and underpaid — that of waiters and waitresses in the catering trades, for example — he has done so. The organization of these workers is an admirable example of social progress achieved in the teeth of war.

A most significant instance of the way in which the trade unions have been brought responsibly into the work of government is the

curious and striking position of Sir Walter Citrine, Secretary of the Trade Union Congress. His position might be described as an extra-constitutional one; there is no constitutional warrant for it, but it evidences the flexibility and adaptability of the English political system. The fact is that Citrine, although he is neither a member of Parliament nor of the Cabinet, has been used all through the war as an extra cabinet minister. Not only has he done a great deal of industrial negotiation, but he has performed an essentially political rôle on his various missions to the United States and Soviet Russia and on his mission to Athens in the middle of the Greek crisis.

As a result of the war the British working classes have made great social and economic advances, particularly in comparison with what has happened to the "better-off" classes. One explanation is to be found in the circumstances of the formation of the Churchill Government and the conditions laid down by the Labor Party to meet the gravity of the situation, namely that there must be a 100 percent excess profits tax and a staggering stepping-up of the level of income tax (up to 19s. 6d. in the pound in its highest ranges). The moneyed classes in the country have been very hard hit; the great proportion of well-to-do people have been living on capital for more than five years; the burden of death-duties has meant in many cases the quasi-extinction of large estates; many such people have sold their properties.

There has been a direct and marked increase in economic equality in the course of the war. But there is no less marked a trend toward increasing social equality: there has been a good deal of mixing up of social classes as the result of the evacuation of bombed towns and danger-areas. An enormous extension of educational opportunity is provided by Mr. Butler's new Educational Act, which Parliament has already passed; and the Government is pledged to a vast increase in social insurance *à la* Beveridge. One might use an overworked phrase to say that something like a "social revolution" is being worked out in Britain; but, in fact, it is only the speeded-up development of an old society that is yet capable of infinite flexibility and adaptation.

II

What is going to be the effect of all this on the Labor Party? It is bound to be something very important; and, as an historian, I think it may very well be transforming. The *raison d'être* of the Labor Party has largely changed. Thirty years ago it was the

party of the dispossessed; the working classes were kept outside of political and economic power. That generated an immense drive for social and economic justice. The Party was a radical party, with an aggressive, aggrieved outlook, whose inner soul was in the keeping of the Independent Labor Party, with Keir Hardie as its saint and would-be martyr. Those were the idealist, propagandist days when

Bliss was it in that dawn to be alive,
But to be young was very Heaven!

To have a grievance put you morally right with the universe.

Things have changed since those good (or, according to taste, bad) old days. The Party has lost much of its former crusading, propagandist fire. Some of the sillier of its old war-horses have not been able to acclimatize themselves to the change, and go on repeating from platforms the worn-out clichés that did so well with the galleries long ago. But these are dying out. A certain lunatic-fringe of pacifists and cranks, such as a party of the Left always attracts, remains; but Keir Hardie's I.L.P. has gone down the drain with Jimmy Maxton and the fatuous MacGovern. The fact is that nobody can pretend that the working class has not got substantial social justice in England today. And that means that the character of the Labor Party is changing: it must change or cease to serve any useful political function. It has ceased to be a party of radical social criticism; it has become more responsible, more governmental. There is a very considerable measure of agreement among all parties now, and what is more important, there is agreement between the civil service and public opinion in the country with regard to social services, social legislation, social progress. There is a very great deal of common ground, and what may still be in dispute certainly is not big enough for two parties to fight over. The new Education Act, for example, which is the creation of a Conservative Minister, offers as much educational progress as the country can profitably use.

In these circumstances, what becomes the function of the Labor Party? In the first place, it is its business to keep the Conservatives up to the mark in the matter of social progress. There is no doubt that if the Labor Party ceased to exist, the Conservatives would fall back, possibly into reaction. At any rate, the pressure of their more die-hard elements would become stronger, their influence greater, if Labor were not there. Possibly, indeed quite probably, they would capture the leadership of the Con-

servative Party. The progressive elements among the Conservatives in a sense depend for their influence on the fact that there is a Labor Party: the really intelligent ones, like the young men of the Tory Reform Group — perhaps the most promising new feature in British party politics — understand that quite well. If the Labor Party ceased to exist, or were seriously weakened, the Chamberlainite elements, the businessmen, would come out on top.

The Labor Party also has a wider function to perform — to keep government up to the mark. Without an effective and powerful opposition, government itself, in a democratic political system, is apt to flag and become inefficient. One very important reason for the deplorable performance of the Baldwin and Chamberlain Governments during the inter-war periods was precisely that they had such large and safe majorities. This would indicate that the best rôle for the Labor Party in the future would be to become what the Liberal Party was in its heyday — a progressive party, national in character (not merely working class) and comprehensive enough in its composition and appeal to form an alternative government. It cannot be said that the Labor Party has come anywhere near achieving that position yet; it cannot even be said with certainty that it is set on the course to achieve that position. Two considerations prevent it from developing into a national progressive party, the successor in our time of the once great Liberal Party: 1, the Party's domination by the trade unions; 2, its attachment to the doctrine of Socialism.

The truth is that the Labor Party is fundamentally, and by its very constitution and composition, the party of the trade unions. In fact, it is almost their possession: they provide the bulk of the membership and the money. Moreover, despite their slowness in the uptake and despite their insistence on earmarking most of the available Labor seats in Parliament for retired trade union hacks with no general education or outlook, the trade unions are still the most sensible and experienced elements in the Labor movement, if also the most deeply conservative ones. But what this means is that it is practically impossible for the Labor Party, as at present constituted, to become the sort of national progressive party, with a membership ranging from Whig aristocrats to radical working men, which the Liberals were earlier in the century. The Labor Party is, in fact, a one-class party, and it is the general drift of politics in our time for parties to become more closely limited by their class composition.

Then there is the issue of Socialism. The Labor Party declares itself to be a Socialist party. But what does this mean? And how much of it does the Party mean? In spite of all the confusion on this issue and the lack of clear-cut definition (what British party was ever any good at clear-cut definition anyway?), it is fairly clear what Labor people in general mean by Socialism. They mean a general view of the economic and industrial life of the country in terms of, and in the interest of, the community as a whole, instead of in the interest of particular sections of it, as is apt to be the case under uncontrolled private enterprise. They mean that there should be a large measure of control at the center; that those industries and activities which are by their scale and nature national in character — for example, the coal industry, housing, transport, agriculture, insurance — should be brought under some form of public control, creating a general framework leaving plenty of room for private enterprise where that is appropriate to the nature of the business. With regard to the nature of the controls and the character of the organization, their attitude is completely empirical; they favor models like the London Passenger Transport Board (constituted by a Labor Minister, Herbert Morrison) or like the B.B.C. In general, their conception is that of the public corporation put forward in the writings of Keynes and the Liberal Industrial Report. There are other aims and ideas implied in the conception of Socialism to which the Labor Party adheres: they may be summed up as that of progressive social legislation, with the extension of social services, looking toward an egalitarian community. But the main question at issue is that of the control of industry, of the country's economic life; and this ultimately involves the distribution of property and income, with deep consequent effects upon the structure of English society.

It may be said that there is already a large measure of control of industry in Britain, and that the question at issue is simply one of degree. True, the whole of British industry has come under government control in one form or another, direct or indirect, in the course of the war. But among employers this creates a great deal of restiveness, or rather a growing determination to be free from governmental control when the war is ended. And however much one may talk about the public corporation, there remains a distinction in kind between the London Passenger Transport Board and Imperial Chemicals, between the General Post Office and the British Broadcasting Company.

The Labor Party may always be presented with a big and significant issue here. If British politics, like the politics of so many other countries in the contemporary world, come to revolve around the struggle between the great monopolies — the characteristic combines of economic power in modern society — and the public interest, then that would be Labor's opportunity. Whether that happens depends rather on the Conservative Party. Will the Conservatives become again, as they were during the Baldwin-Chamberlain period, merely the political expression of these self-interested coagulations of economic power? During the war, these interests and the propertied classes have subordinated themselves and sacrificed themselves to a very remarkable degree for the sake of the country. It is only natural for them to expect some relaxation, some release, with the end of the war. But if the Conservative Party identifies itself purely with the private interests of business, which would be against the inclination of Mr. Churchill and the progressive Conservatives, then it would present Labor with a grand opportunity for becoming a national party.

III

Would Labor be capable of taking that opportunity? This depends on what we think of its form as a party, the capacity of its leaders and members, its confidence in itself and its support in the country.

Its chief asset will be half a dozen leaders who will have had a full experience of government in positions of great responsibility all through the war. That will be something new in the Labor movement, for one of its chief defects has always been the lack of leaders with any real experience of government. The key figures are Bevin, Morrison, Attlee, Alexander, Dalton, Cripps — and something in that order. The actual leader of the party is Attlee, mainly for the reason that it has never been able to unite on either Bevin or Morrison, its two strongest and ablest men, who tend to cancel each other out. Attlee is a perfectly honest, straightforward and somewhat selfless man who is trusted by all sections of the movement; he is without much personality, but is intelligent and has good judgment. He is a man who is often underestimated; but he is a good parliamentarian, has an orderly mind and his contribution in Churchill's War Cabinet has by no means been a negligible one.

Bevin is altogether a more powerful figure, a masterful and

dominating personality, a trade union "boss" rather than a politician, the most powerful personality in the Government after Churchill. Attlee appears before the public as more of a Socialist, and Bevin, like the genuine working man he is, is something of a Tory; but it is a mistake not to think that there is an idealist side to him, for he is a man of vision as well as a strong realist.

Morrison, who has had a very good administrative record in a difficult job at the Home Office, is the most significant personality in the Labor Party proper. He is not a trade unionist, and his relations with the trade unions are not good; he has come up entirely through the political side of the movement. He is a very able administrator, quick-witted and always learning. A man of courage and a strong personality, he would have made a brilliant organizer of the Party and would have made of it an efficient and aggressive political instrument. The trade unions kept him out. The hopes of the political side of the movement rest on him and on his one day becoming leader of the Party.

The fate and future of the Labor Party, so far as it depends on itself, rests with these three men, or essentially with Bevin and Morrison. Do they want power, as a separate and independent party, and in the near future? It seems clear that Morrison does. He is the man to whom the political side of the movement, all the constituency Labor Parties throughout the country, look for leadership. And he gives them leadership: he has the quality in him. No Labor leader has more the knack of inspiring younger men with confidence. It is the political side of the movement, moreover, that is forward-looking and aggressive; it wants political independence, a chance to fight the election on its own, untrammelled by association with either Conservatives or Liberals. It has been responsible for pushing the Labor Ministers, almost certainly against their will, into the demand for an election and the consequent, if temporary, break-up of the wartime coalition.

It is doubtful whether the trade unionists wanted this to happen; it is pretty certain that Bevin did not. His attitude all along has been that there is a job of work to be done. He mobilized all the manpower and womanhood of the country, he put them into the Armed Forces, and he wanted to be there to put them back to work again. Ten years older than Morrison, he is perhaps less interested in the future beyond that job of demobilization. There was matter for divergence in the attitude of the trade unions as a whole. Churchill's early statements on the election left the door open for those who wanted to stay by his side. Some

of these men may have thought it their duty to stay and see the job through. But the memory of what happened to MacDonald, Snowden and Thomas after 1931 was vivid in everyone's mind, and when the moment of decision came the Labor Party and its leaders acted together and left the Government together.

What of the showing of the Party? What of its capacity for power? The divergence between the industrial and the political wings of the movement may reflect a certain divergence of view as to the ripeness of the Labor Party for independent power. It would seem that the political Labor Party has a greater confidence in itself than the trade unions have in it; that the latter are more content to go on performing their strictly trade union function within the framework of capitalist industry and working out a *modus vivendi* with capitalism. The Labor Party proper will not hear of that; to follow such a course would indeed be to abdicate politically. Hence, perhaps, the Party's attachment to Socialism. But what is curious is that it will probably carry the trade unions with it, though they have far more power. The explanation is probably that both are sections of the working class, and the more active and aggressive section is apt to carry the more passive and conservative along with it.

And yet, to justify its confidence in its capacity for independent power, the Labor Party ought to have made a far better showing in the two decades between the wars. We must in fairness allow that in the crisis of the war it has had a good record. But from the purely party point of view it had a lamentable record in the preceding ten years. It always took the wrong turning if ever it could, it always presented its worst face to the country, it had no imagination or sense of power, no sense of how to appeal to the country. It refused to make either one or the other of its two first-class men its accredited leader; and it refused to allow Morrison, its ablest organizer, to take the organization in hand and turn it into an efficient political instrument — as he had done, with brilliant results, for the London Labor Party. The result is that of the small body of 160 Labor members in Parliament there are hardly any men of ability except those who were in the Government. An even worse consequence is that they are mostly elderly or old men; indeed, the average age of the Party that is supposed to stand for youth and a new social order is much higher than that of the Conservatives. The Labor people handed power to the Conservatives on a platter in the years before the war.

Does this give one much confidence that these people, who

were so bad at conducting their own affairs before the war, would be better in conducting those of the country after the war? In fairness one must say that there have been some hopeful signs of late. For example, a considerable number of young men from the Forces have been adopted as candidates, and a new secretary to the Party has been appointed at Transport House, that dismal morgue of disappointed hopes. But the decade during which the Party did nothing for itself has left a grievous mark in the absence from its counsels of that generation now in young middle age. It is too late for them, and it is probably too late for the Labor Party. Everything now depends on what the young men are like and how many of them will get into Parliament. The fact remains that they will be too young (even if they get in) for the conduct of affairs in the immediate future.

Some people think that the men in the Forces are overwhelmingly radical and that Labor will soon sweep the country. It may be so. But — at the coming election — against the name of Churchill? I do not think so. It is desirable, and in the interest of the country, that Labor should increase its representation in Parliament, that there should be younger men and more of them than could get in as the result of Baldwin's fraudulent election in 1935, which returned the present House of Commons. It is not desirable that Labor should win an independent majority and form a party government of its own. It is neither strong enough nor able enough to impose its authority on the country; nor has it the prestige or the ability at its command to conduct the country's affairs abroad. What seems in the best interests of the country is that the Conservatives, with their greater experience and prestige in the outside world, should be returned in the majority, but that the election should be fought on sufficiently friendly terms of mutual forbearance to make possible the formation of another all-party government under Mr. Churchill. Only such a government, able to speak in the name of the whole country, can pull its full weight in the tremendous decisions which the Allied nations must make in bringing an ordered world out of chaos.

POPULATION TRENDS IN THE ORIENT

By Frank Lorimer

THROUGH an uncritical application of Malthusian principles westerners are sometimes led to assume that the population of Asia is approaching a saturation point. Actually it seems probable that establishment of peace, changes in economic organization, and improvement in sanitation will bring lower mortality, especially among infants and children. At the same time, patterns of fertility may remain unchanged for many years in most oriental families. If these conditions prevail, Asia will enter an era of rapid population increase. This prospect presents a profound challenge to the emerging world order. Not all of its implications can be foreseen, but the trend is a basic factor to be taken into account in all plans relating to the Far East. A great increase in population in the nations of the Orient does not necessarily imply that they will gain correspondingly in military strength in the years to come; in certain cases at least, the opposite is probable. But it does suggest a likelihood of mounting social unrest and political upheaval. The control of population growth is not a simple matter, but in the long run it is a primary requisite of political stability and social progress in Asia.

The Eurasian land mass now supports four-fifths of the earth's inhabitants; only 12 percent are in the Americas, 8 percent in Africa and Oceania. The distribution of population among broad regions within Eurasia is economically even more significant than the contrast between Europe and America. As of January 1, 1940, there were 380 million people in Europe west of the Soviet borders as extended in 1939 and 1940, 196 million in the Soviet Union (now larger than all North America), and about 1,190 million in non-Soviet Asia.¹ The contrast between desert regions and crowded lands in non-Soviet Asia is even more striking and significant. Southwest Asia, excluding the Soviet Transcaucasus, has more than a fifth of the land surface of Asia outside the Soviet Union, but it has only about 57 million occupants. Although there are irrigated strips with a dense farm population, there are on the average only 23 persons per square mile in this generally arid territory. Chinese Central Asia — *i.e.* Tibet, Sikang, Chinghai, Sinkiang, Ningsia, the Mongolian People's Republic and Tannu Tuva — also occupies more than one-fifth of non-Soviet Asia. It has 17 million persons, or an average of seven persons per square mile, according to the latest official Chinese estimates. Its average density of population is similar to that of the Soviet Union east of the Urals (due to the inclusion of an immense sub-Arctic territory in the latter region), but it lacks any such functional concentrations of population as have been established in Soviet Asia. North China, including the northwest provinces, the north China plain, Manchuria and Kwangtung, has about 180 million persons. This whole terri-

Author's Note: The opinions expressed in this article are personal and should not be regarded as reflecting the views of any agency of the Government.

¹ Based on figures in the 1941-1942 "Statistical Year-Book of the League of Nations" except those for the U.S.S.R. and for China. With the exception of Manchuria, the figures used for China are those reported by the Ministry of the Interior, 1938; figures for Manchuria are based on returns from the census of October 1940 (adjusted to January 1).

tory has on the average 150 persons per square mile. It includes three of the five provinces in China with more than 500 persons per square mile (Shantung, Honan and Hopei). Central and southern China have 288 million inhabitants, with an average density of 300 persons per square mile. The 12 provinces of this region are part of the great rice zone of southern and eastern Asia, extending from India and the East Indies through southern and central China into Korea and Japan. Southern and eastern Asia (including some districts where other crops are more important than rice) have about 935 million inhabitants — 42 percent of the total population of the world. This zone is, on the whole, thickly populated: although it contains large mountain and jungle tracts in the Himalaya region, the Malay Peninsula and the Outer Indies, it has on the average about 200 persons per square mile, slightly above the average for Europe.

The pattern formed by the distribution of people among the major regions of the world still reflects in large part the capacities of different regions to support populations which were restricted to the use of non-mechanical instruments. This is especially true in Asia, where changes in this respect during the last 300 years have been relatively slight. As natural resources were improved and conserved by irrigation ditches, roads and other works and utilized for intensive agriculture in great agrarian civilizations, the soils and climate of southern and eastern Asia supported the gradual accumulation of immense populations. Any effective redistribution of population through migration is becoming increasingly difficult. On the other hand, the proportion of the world's population living in various regions may be radically changed during the next hundred years through different rates of natural increase. Unfortunately, the highest potentialities for rapid increase are now generally found in regions where there are already the greatest numbers relative to the resources necessary for modern economic activity. The similarity in the ratios of men to land in Europe and in southern and eastern Asia is doubly deceptive on this account. Europe is comparatively rich in the resources, capital equipment, and acquired skills needed for the maintenance of a large population at a high level of living, though she lags behind North America and the Soviet Union as regards the ratio of population to mineral resources. Moreover, population growth is coming to an end in Europe whereas, if our analysis is correct, Asia is just entering a stage of rapid natural increase.

The following text makes no pretense of being a full analysis of the population trends and problems in the Far East. The particular situations treated in the U.S.S.R. east of the Urals and in Manchuria, China and Japan are selected primarily to illustrate principles of general significance. The reader should note at the outset that specific questions of population conditions in India, Indonesia and other southwestern and southeastern Asiatic countries are beyond the scope of this article.

II

The eastward movement of people across the Russian plain under the Soviet régime has not been conspicuously different in volume from that of the last two decades of the imperial régime, but it has been radically different in kind. A basic principle of Soviet economy has been the shift from an agrarian society to balanced industrial and agricultural production. The population of the Soviet Union east of the Urals rose from 35.7 million in 1926 to 45.4 million in 1939, an increase of 27 percent; only about one million persons were thereby

added to the rural population of this eastern Soviet territory, but the urban population increased from 5.3 million to more than 14 million. The transformation of economic life has been even more profound than is suggested by these figures. It has been characterized by the collectivization and mechanization of agriculture, the settlement of nomads, the organization of forest and mining industries, and the building of new centers of heavy industry. Significantly, the term "Asiatic Russia" has largely dropped out of use. Although diversity of cultural life among component nationalities has been accepted and encouraged under the Soviets, outlying territories have been knit into an integrated economy and a unified society.

The extension of education and social services and the increase in literacy among the peoples of Soviet Central Asia and the Far North have been spectacular. The Soviets have dealt effectively with the problems which are in many respects similar to those with which other nations of Asia must grapple. These changes have not been achieved without tremendous cost, involving great loss of life — especially among the previously nomadic Kazaks of the Asiatic steppes. But they have, nevertheless, provided the basis for a further rapid advancement in living standards.

The industrialization and the cultural transformation of Soviet lands in central and northern Asia will have a profound influence on the future life of all Asiatic nations. Owen Lattimore has particularly stressed the degree to which these changes attract the Mongolian and Turkic peoples of Chinese Central Asia. The formation of the Mongolian People's Republic and its seeming vitality are, in part, an expression of this attraction. Furthermore, the influence of these changes extends far beyond the inner deserts into southwestern, southern and eastern Asia.

The economic development of Manchuria, though so far limited to the production and primary processing of raw materials, has rivaled that of the Soviet Far East in tempo. Its indigenous population was drawn into China during the years of Manchu rule, but gradually replaced by Chinese migrants. It had a population of 12 to 15 million persons 30 years ago. By October 1940, it had 43.2 million inhabitants, including about a million and a half Koreans, one million Mongolians, 820,000 Japanese and somewhat fewer than 200,000 Mohammedans; most of the others were migrants or the children of migrants from the crowded north China plain. Temporary migrants, formerly attracted as seasonal workers in agriculture, have been more recently recruited as laborers in mining, manufacturing and construction. The servicing of the Japanese war economy required the construction of new transportation lines and industrial facilities in Manchuria, Korea and north China. Although the direction of these operations has remained in Japanese hands, an increasing number of peasants have been drawn into industrial operations, involving some acquisition of new skills and adaptation to the discipline of mass production.

China's ancient name, "the Middle Kingdom," well describes her present position. Here are some 470 million kindred or closely associated people. Their institutions and culture have nurtured high intelligence and fortitude. Southern China, though having a somewhat higher average productivity per farm worker than northern China, is within the grip of the inflexible rice economy of monsoon Asia. The northeast, northwest and the southwest have the most promising resources for industrial development, and also offer possibilities for the de-

velopment of mechanized agriculture. Thus China shares in the diverse characteristics of southern, central and northern Asia.

III

The nature of the factors that have inhibited population growth in Asia may be illustrated by an analysis of the situation in one representative rural district in the Lower Yangtze Valley, Hsiao Chi. This district, which is in Kiangyin *hsien*, Kiangsu, happens to be the only area in China where births and deaths have been carefully recorded for several consecutive years;² it is also one of the few districts in China in which there has been a careful, experimental census of the population.³ Forty percent of the 21,864 people in Hsiao Chi in 1932 were under 15 years of age. This proportion is identical with that in India; the corresponding percentage for Japan in 1935 was 37, and for the Soviet Union 36 (in 1939). In contrast, only 25 percent of the people in the United States and 26.6 percent of those in Europe outside the U.S.S.R. in 1940 were under 15 years of age.⁴ A high proportion of children in any population may be due to severe reduction of the adult population by mortality, an increasing number of births, or heavy out-migration — or to any combination of these factors. Regardless of the causes, a high proportion of children provides a basis for rapid population growth if other conditions are favorable.

The number of births reported by women of various ages in Hsiao Chi during a four-year period 1932–1935 indicated that each woman who lives through the childbearing period has on the average 6.4 children. The district suffered from a general economic depression during these four years, aggravated by floods in 1931 and droughts in 1932 and 1934. Infanticide, chiefly of female infants, reaches fairly large proportions in the Lower Yangtze Valley. This probably accounts for the fact that 11.7 percent more males than females were reported born during these four years, an excess of males about twice as great as would be expected. Even so, each mother living through the childbearing period bears on the average three daughters. If there were no deaths between birth and maturity, a population with such fertility would of course increase threefold in each generation. In European countries with a high standard of living, 80 percent or more of the female infants live to the center of the reproductive period — age 30. In Japan, 1926–1930, the percentage of such survivors is 66.2. A combination of the fertility pattern of Hsiao Chi with the Japanese mortality rates would give a net reproductive ratio of two, *i.e.* a trend toward the doubling of the population in each successive generation.

Actually the reproductive trend of the Hsiao Chi population during this period was cut to a much lower point by disease. Dysentery and malaria broke out violently after the great flood in 1931, and recurred periodically during the following years. There was a cholera epidemic in 1932, followed by outbreaks of diphtheria, typhoid, meningitis and measles. Death rates fluctuated widely

² C. M. Chiao, Warren S. Thompson and D. T. Chen, "An Experiment in the Registration of Vital Statistics in China." Oxford, Ohio: Miami University, 1938.

³ A more extensive experimental census was carried out in 1942 in the city of Kunming and in several rural *hsien* in Yunnan under the direction of Professor Ta Chen. The results of this experimental census are reported in *Yunan sheng hu-chi shih-fan kung-tao pao-kao* (Report on the model work of the census in the Province of Yunnan). Kunming: National Tsing-hua University, 1944.

⁴ The figure for Europe is from Frank W. Notestein and Others, "The Future Population of Europe and the Soviet Union." Geneva: League of Nations, 1944.

from season to season. These fluctuations may be attributed in part to the small size of the population under observation, but they also reflect economic instability and lack of modern sanitation. The reported death rates are astonishingly high, especially for females at early ages. According to the average rates for the whole period, slightly more than half the girls die within ten years after birth, and only 26 percent of those born alive live to be 30 years old. The net reproduction ratio indicated by these statistics — 1.08 — testifies to a precarious balance between very high fertility and very high mortality, with only a slight excess of births over deaths.

The fertility pattern of peasant communities is rooted in ways of living which change very slowly. But epidemics can to a very considerable extent be wiped out by sanitary engineering, inoculations and public health programs which do not require any radical change in traditional attitudes. Even the economic effects of floods and droughts can be mitigated through planned economic developments. Progress along these lines can be expected in China in the postwar years, and the result will inevitably be an increase in population.

Such an upsurge of population growth is already apparent in other Asiatic countries. For example, the average annual rates of increase per thousand of population between the last two censuses (where the results are not appreciably influenced by emigration or by immigration) are 14.1 in India, 21 in the Netherlands East Indies, 22.2 in the Philippine Islands and 24.6 in Formosa (excluding Japanese residents). An even higher rate of increase was reported for Thailand, but this rate is inflated by an improvement in census enumerations. Such rates indicate a trend toward populations twice as large as the present ones by the end of the twentieth century. The figure for Formosa is particularly interesting, since it shows the demographic behavior of a Chinese population under an established political régime which has stimulated increased crop production and sanitation. This finding is confirmed by a net reproduction ratio of more than two, derived from age distribution data and life tables for the non-Japanese population of Formosa.⁵

The rate of population growth in Japan rose gradually during six decades after the Meiji restoration in 1868 and continued at a high level through 1937. Industrial and commercial expansion, facilitated by the conquest and exploitation of neighboring territories, first stimulated this increase, then began to induce a decline in fertility; in the late prewar years the decline in fertility exceeded the decline in mortality. This emerging trend toward the slowing down of population growth was temporarily masked by changes in age composition which tended to raise the ratio of births to deaths; if this factor is discounted, it appears that the birth rate declined from 37.6 in 1925 to 31.7 in 1937, while the death rate declined from 20.9 to 17.3. The intrinsic rate of natural increase therefore fell during the same period from 16.7 to 14.4 per year.⁶

The decline in fertility in Japan has been due in part to a trend toward later ages at marriage in both urban and rural districts, which in turn reflects the spread of education and apparently some improvement in the status of women. The apparent decline in fertility for the nation as a whole was also due in large

⁵ Irene B. Taeuber, "The Demographic Statistics of Southern and Eastern Asia." *Journal of the American Statistical Association*, March 1945.

⁶ Irene B. Taeuber and Edwin G. Beal, "The Demographic Heritage of the Japanese Empire." *The Annals of the American Academy of Political and Social Science*, January 1945.

part to the movement of people from rural districts where birth rates are high to cities where birth rates have always been relatively low. In 1940, 50 percent of the Japanese people were living in places with 10,000 or more inhabitants, and more than one-half of these were in large cities with more than 100,000 population. A recent official projection of the Japanese population, assuming continued declines in both fertility and mortality, gives an expected increase — though at a declining rate — from 73 million persons in 1940 to 123 million persons 60 years hence.⁷ Such long-term population projections may be profoundly modified by later events. The population of Japan will, of course, be reduced by war losses; but these will not necessarily affect its upward trend.

IV

In general, it can be assumed that increase of population in western and central European countries, where output of industrial goods per capita of total population is generally high, would tend to increase the military power of those nations (except perhaps in Italy where the number of people is already excessive in relation to industrial resources). In most Asiatic countries, where energies must be channeled in large part into the production of food and other supplies to meet elemental human needs, further population increase will tend to reduce potential military power. There is little possibility that, unless population growth is checked, any nation in southern or eastern Asia, with the exception of Japan, will have sufficient strength to constitute a military threat to the peace of the world within the visible future. Japan's capacity to dominate eastern Asia and build a great war machine will, we trust, be eliminated by the course of the war and the conditions of peace. An increase in the military power of most Asiatic nations, which would improve their capacity for self-defense, would presumably contribute to the stability of international relations. Measures that checked population growth and accelerated the pace of industrialization would contribute to this end.

The trend toward rapid population growth in Asia does indeed offer a threat to world peace, but the danger lies in the intensification of poverty and hence in the frustration and political chaos which this can create. The population of Europe more than doubled from 1800 to 1900, and the demographic prospect in Asia today resembles that of Europe 150 years ago. It is important to bear in mind that poverty tends to perpetuate rather than to diminish high rates of natural increase. The possibility that the size of the population will tend to increase faster than food production in Asia cannot be lightly dismissed. The authors of the most exhaustive study of this subject conclude that the production of rice, on which the peoples of southern and eastern Asia are dependent, did not keep pace with the increase in numbers during the inter-war period.⁸ However, yields in most of these countries are far below recent yields in Japan, Korea and Formosa, where production has been notably augmented by greater use of fertilizers, selection of better seeds, and improved systems of irrigation and cultivation. Some expansion of acreage in cereals and further extension of double-cropping systems are possible. In Thailand, the Philippines and outer islands of the Netherlands East Indies there are still considerable tracts of

⁷ Reported in Naikaku, Joho-Kyoku: *Shuho*, February 12, and February 19, 1941.

⁸ V. D. Wickizer and M. K. Bennett, "The Rice Economy of Monsoon Asia." Stanford University, California: Food Research Institute, 1941.

unused land that can be brought into cultivation, if sufficient capital and labor are invested in this work.

It is likely that improvements in agriculture will provide enough food to maintain an increasing number of people in most southern and eastern Asiatic countries at or near their present low nutritive levels, at least through several decades. But though there may not be outright starvation on a mass scale, conditions such as this can breed calamities from which no one, in this interdependent world, would be immune.

V

There is a clear consensus among students of population problems that industrialization, urbanization and education are the three prerequisites for a reduction in fertility. The need for industrialization in China, for example, has often been stressed. This brief survey of population trends cannot attempt to analyze the domestic and international factors which enter into this pressing and complex problem of transforming the peasant, agricultural economies of the Far East into modern economies. Sufficient to note here that the basic motivation of the practice of birth control is confidence in the possibility of economic advancement for parents and their children. The pattern of family limitation spreads in economic situations where large families mean increased expenses rather than increased earning power. It is a slow process in any society, but it may be accelerated by a ferment of democratic ideals and emancipation from traditional attitudes. It is significant that the earliest manifestations of the modern trend toward family limitation appeared in France about the time of the Revolution, and that it appeared among the democratic people of the North Atlantic American States more than half a century earlier than in northeastern and central Europe. In the initial phases of the new social order in Russia, the hopefulness and the hard times together — plus the abortion clinics which were provided by the state — brought a spectacular drop in the birth rate of the Soviet population, from 45 to about 30 per thousand population; but this trend has been reversed since 1935.

There has been much talk of the menace of overpopulation in the Far East, but very little hard thinking about the problem or little action taken to meet it by the governments of Asiatic nations, the great colonial Powers, or other agencies supposedly concerned. Common sense suggests that for every dollar spent to reduce mortality in Asia through programs of public health and sanitation, at least one dollar should be invested in experimental clinics, scientific research and popular education directed toward reducing fertility. Fortunately, we may also remember that the scientific attitude associated with modern health programs, and the respect for individual lives which it fosters, may contribute indirectly to the control of fertility. Elementary education along scientific lines seems to be a basic condition for the spread of family limitation.

The transition from traditional patterns of uncontrolled fertility to controlled reproduction can be effected only through democratic mass movements which carry whole peoples toward a higher level of living. So long as such mass movements are stifled, benevolent schemes for the amelioration of poverty in Asia are likely to prove futile. There is no simple solution to the problem of population pressure. What is needed is a frank recognition of the critical nature of the problem and an intelligent evaluation of every economic, political and social plan for the Far East from this angle.

THE FUTURE OF TANGIER

By Graham H. Stuart

THE archives of the American Legation at Tangier record that 74 years ago the Sultan of Morocco, disturbed at the predatory methods of certain European Powers who looked covetously in the direction of Morocco and particularly Tangier, expressed the desire to turn over his entire empire as a protectorate to the United States. We were not then in the mood to assume transatlantic responsibilities and courteously declined the offer. In 1942 French Morocco and Algeria were occupied by American troops, following the failure of France to protect her North African empire. It is not beyond the bounds of possibility that after this war the Sultan of Morocco might again make a somewhat similar proposition to the United States. What are the American interests in Morocco, and more particularly in the enclave known as the International Zone of Tangier — an area of about 145 square miles with a population of about 100,000? What are the French, British and Spanish interests?

Strangely enough, although the United States has never recognized the Tangier Zone as a special entity, we played a leading rôle in bringing about its internationalization. As far back as 1797 we supported our consular officers in their efforts to obtain international control of public health and quarantine measures in Tangier. In fact, the consular and diplomatic corps of Tangier served as a Sanitary Council for the city from 1840 until the International Statute was put into effect in 1925, and after 1929 the United States took over sole control of the remaining functions of this body. The powers of this Council had finally become so great that it could supply water, clean and pave streets, provide a sewage system and even control the slaughterhouses and markets.

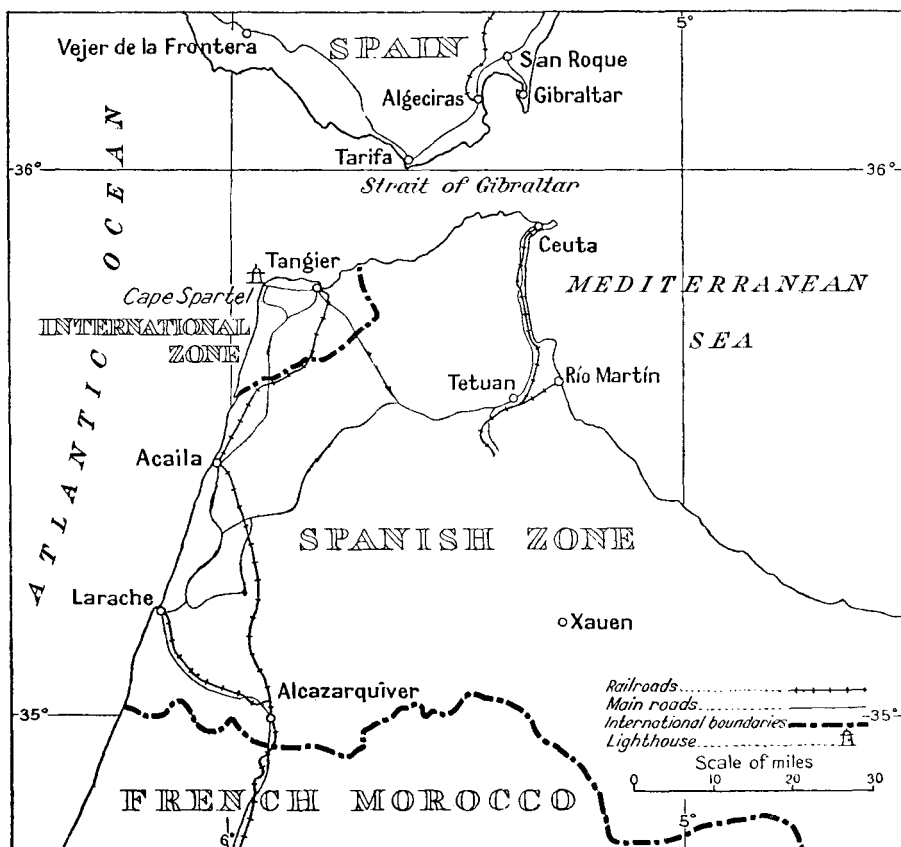
In similar fashion the United States in 1865 joined with nine other Powers to administer the lighthouse at Cape Spartel through an International Commission. This lighthouse, eight miles from Tangier and some 30 miles from Gibraltar, has been administered internationally for three-quarters of a century, and every year the Congress of the United States has appropriated money for its maintenance.

The internationalization of Tangier came about as the result of two factors — the rivalries of European Powers, particularly France, Spain and Great Britain; and the special status of the city due to the degree to which its institutions were controlled by the diplomatic corps. Historically and geographically, Spain had the most substantial claims to Morocco, but France, having general control of Algeria and Tunis, possessed the best strategic position. Great Britain actually possessed Tangier from 1661 to 1684, but after a costly struggle with the Moor, Mouley Ismail, she abandoned it voluntarily to the Berbers. Her withdrawal from this side of the Straits was over-hasty, however, and when she obtained Gibraltar in 1713 she made it a fixed policy to prevent any other Power from seizing Tangier.

When the twentieth century opened, the European rivalry for the control of Morocco became more intense, with Germany and Italy playing important rôles. France was able to obtain a special position by secret agreements with Italy, Great Britain and Spain; but Germany was aware of the diplomatic jockeying and the Kaiser, while cruising in the Mediterranean, disembarked

at Tangier early in 1905 and publicly proclaimed Germany's interest in an independent Morocco. This brought about such a serious crisis that President Theodore Roosevelt stepped in and urged the Powers to meet to discuss the question. The Conference of Algeiras was the result, and the principal World Powers, including the United States, subscribed to the maintenance of the independence of the Sultan, the integrity of his territory, and commercial liberty in Morocco for all nations.

French imperialist ambitions were not discouraged by this arrangement, and internal troubles in Morocco aided French expansion. Again Europe faced the



threat of war when in 1911 the Kaiser sent a German gunboat to Agadir. France now bought Germany off by surrendering almost half of her Congo territory, and signed a new agreement with Spain which delimited her zone of influence. The final agreement before the First World War was the French Treaty of March 30, 1912, with Morocco, which gave France a protectorate over most of the Sultan's empire.

During these diplomatic manœuvres, Great Britain kept her eye fixed upon Tangier, determined that no strong Power should possess this vitally strategic area opposite Gibraltar. Lord Nelson and Joseph Chamberlain had both made plain the importance which British policy attached to the status of Tangier. In

the secret Franco-Spanish arrangement of 1904, it was agreed that Tangier was to keep the special character which the presence of the diplomatic corps and the particular nature of the municipal and sanitary institutions had given the city. Immediately after France obtained a free hand from Germany in 1911, Great Britain notified France that Tangier would have to be internationally controlled and suggested the International Settlement at Shanghai as a model.

A tripartite technical commission representing Great Britain, France and Spain was set up in June 1912, and after a number of drafts had been submitted and revised, a final convention was agreed upon on November 5, 1914. This Convention and the Shereefian decree establishing the International Zone of Tangier were never put into operation, due to the outbreak of the First World War.¹ Great Britain and France wished to make it effective at once but Spain refused, hoping that if Germany were victorious she herself might incorporate Tangier in the Spanish Zone.

As a result of the Allied victory, France insisted upon incorporating Tangier into her sphere of influence. The Spanish Ambassador, speaking in London on February 20, 1920, declared that "Tangier belongs geographically, ethnographically, psychologically and therefore logically to the Spanish Zone. . . ." Again Great Britain cast the deciding vote; at the Cannes Conference of 1922, Lord Curzon informed M. Briand that Great Britain had recognized the French protectorate over Morocco with the definite understanding that Tangier was to be internationalized, and that Britain expected action to be taken to accomplish this objective. A conference was held in London in June 1923 to draft a project for the government of Tangier. Although at first Spain and France vigorously maintained their respective positions, Spain finally swung to the British side in favor of internationalization, and a draft was signed by the three Powers December 18, 1923.

During the Conference, Italy insisted that she be admitted as an important Mediterranean Power, but she was informed that the proceedings were merely a continuation of the negotiations begun in 1912 in which Italy had not participated. The United States also notified the three Powers upon two different occasions during the course of the Conference that, as signatory of the Act of Algeciras, it was fundamentally interested in the maintenance of the Open Door and trusted that the Conference would do nothing to violate this principle. The French Government gave assurances that the Open Door would be maintained and all foreign interests in Tangier protected.

The Convention regarding the Organization of the Statute of the Tangier Zone became legally effective May 14, 1924, with the deposit of the ratifications of France, Great Britain and Spain.² The other Powers signatories of the Act of Algeciras were forthwith invited to accede. All did so except the United States. Secretary of State Hughes felt that the representation accorded this country was so small that we should have no real influence in the formulation of policies and that, therefore, we could not afford to take responsibility for them. Italy not only did not accede but refused to recognize the new régime. The intransigent attitude of Italy, coupled with the demands of Dictator Primo de

¹ It is believed that these documents have never been officially published; but an authoritative copy of the French originals can be found in the author's "The International City of Tangier." Stanford University: Stanford University Press, 1931, Appendices III, IV.

² Due to delays resulting from technical difficulties, the Statute did not actually operate until June 1, 1925.

Rivera of Spain that the Statute be revised to give Spain a more favorable position, finally forced a new conference. The revised Statute signed in Paris July 25, 1928, brought Italy into the international administration on an approximate parity with Great Britain and gave Spain a somewhat more privileged status than before.

The Zone of Tangier was governed by the terms of the revised Statute of 1928 until Spain took over the government by military force in June 1940, with the alleged object of maintaining the neutrality of the Zone. Before the end of the year the laws of the Spanish Zone were extended to Tangier and all of the international administrative machinery except the Mixed Court was suppressed. In spite of this unilateral violation of the international status of the Zone, the French were in no position to protest effectively and Great Britain deemed it expedient to recognize the occupation *de facto* for the duration of the war. No Power has recognized the Spanish occupation *de jure* and the United States has given it no recognition whatsoever.

Lack of space prevents more than the most cursory description of the international administrative machinery of the Zone. The Statute was concluded for a period of 12 years, beginning in 1924, and automatically renewed for an additional 12 years — until 1948. The sovereignty of the Sultan was recognized and vested in a Mendoub appointed with the consent of France. Legislative powers were vested in an International Legislative Assembly consisting of 27 members: four French and four Spanish, three British and three Italian, one American, one Belgian, one Dutch and one Portuguese, nominated by their respective consulates, and in addition six Moslem and three Jewish subjects of the Sultan nominated by the Mendoub. Since the United States did not adhere to the Statute, no American has ever been named.

Although this international assembly was given the power to legislate for the Zone, the real power was in the Committee of Control which was composed of the consuls of Belgium, France, Great Britain, Italy, the Netherlands, Portugal and Spain. It could veto acts of the Assembly, dissolve the Assembly, and could ensure economic equality for the signatory powers and the execution of laws and regulations.

The actual administration was in the hands of an administrator aided by three assistants in charge of health, finance and judicial services. The first administrator was French and his assistants were Spanish, British and Italian. Subsequently a Spanish administrator was chosen and a French assistant took over the health work. A Mixed Court of five judges of Belgian, British, Spanish, French and Italian nationalities dispensed justice under a very elaborate code of laws. Since the United States was not a party to the Statute, the capitulatory régime was still maintained by the United States.

The chief criticisms justly leveled against the Statute are that the Tangier electorate was disenfranchised, that the financial burden of fixed charges was too high, and that the economic interests of the Zone were disregarded. On the other hand, the administration was competently carried on and justice fairly well administered.

It is almost a certain conclusion that Spain will not be allowed to remain in military occupation of the Tangier Zone. Neither does it seem likely that the Zone will be incorporated into the French protectorate. Therefore, it would appear that either the former international régime will be revived with some modifications or a new international arrangement will be made. It might be

assumed that although Spain would resist control by a single Power she would accept internationalization. The fact that the Spanish delegate to Tangier, General Uriarte, withdrew from Tangier late in 1944 would seem to indicate that Spain recognizes that the days of Spanish military control of the international area are numbered.

It is doubtful if the part played by either France or Italy in any future system of international control will be as important as in the past. The new organization might well indeed be made a genuinely international one, instead of merely representative of the most interested Powers. If the international governmental machinery is to be successful, the people of Tangier must be adequately represented and the debt charges must be substantially reduced. Above all, the economic interests of the Zone must be given careful consideration. The International Zone cannot support itself by agriculture, grazing or fishing, but its geographical and climatic advantages are very great. As a free zone it might well serve as the port of entry for all Morocco. With its excellent beach, with a climate equal to the Riviera, with wooded hills and snow-capped mountains, with sunlit markets and the picturesque charm of the east, Tangier is potentially a magnificent tourist resort.

If, then, the Powers devise a truly international Statute, which eliminates the weaknesses of the previous organization, the United States, which has played such a leading rôle in the previous international agencies of Tangier, may well return to her former policy of active participation and help to make the International Zone of Tangier a genuinely representative international administration.

THE BOMBAY PLAN

By P. S. Lokanathan

A SMALL group of influential business leaders in Bombay drew up and published in January of last year a plan for the economic development of India which may be said to have opened a new chapter in Indian economic history. This plan was originally intended for private circulation only; and the decision to publish it in pamphlet form,¹ with wide consequent publicity, came afterward. The Bombay Plan, as it is now popularly called, did not represent the opinion of the whole business community. But it claimed public attention because it set forth the considered views of some of the front-rank businessmen and captains of Indian industry.

The signatories were not merely men of business experience but were inspired by more than a fair measure of public spirit and responsibility. Mr. J. R. D. Tata and Mr. G. D. Birla were primarily responsible for the initiation of the study. Mr. Tata is head of the well-known House of Tata, and is noted in India for his progressive outlook on life and business. Mr. Birla, the head of Birla Brothers, who own and manage a variety of industrial enterprises, is interested in educational and social work. Sir P. Thakurdas, the doyen of the business community, has enjoyed a reputation for possessing a wide outlook and for courageous thinking and speaking. Mr. Kasturbhai Lalbhai and Sir Shri Ram are leading mill-owners in Ahmedabad and Delhi respectively, and have business activities extending to other fields. The other three signatories — Sir Ardeshir Dalal, Mr. A. D. Shroff and Dr. John Matthai — are employees and directors of Tata Sons, Ltd., and the fact that they too signed the pamphlet is significant as showing that it was in no sense to be regarded as an industrialist's plan, at least when it was put out.

The reception accorded to the plan was unique. Within a few days of its publication the demand for copies was so great that it had to be reprinted for several successive months. Public interest has continued to this day. The plan has been translated into other languages than English for publication both in India and abroad and has been read by millions of people. Within a few weeks of its publication Lord Wavell, Viceroy of India, welcomed it in a speech to the Legislature and found in it a new approach to the solution of India's intractable political problems. Sir Jeremy Raisman, Finance Member of the Executive Council, called it a useful contribution in his budget speech in February 1944, though he doubted the soundness of some of its financial assumptions. The public and the press joined in the discussion and prompted a clarification of the document by the signatories. Toward the end of March the Federation of Indian Chambers of Commerce representing all business organizations of the country endorsed the Bombay Plan at its annual meeting, and from then on the plan came to be regarded as the proposal of India's business community, if not of India's big business.

The extraordinarily favorable reception which was accorded the scheme can be explained only in terms of an unusual conjunction of circumstances. It came out at an opportune moment. The country, disillusioned and dis-

¹ "The 'Bombay Plan' for India's Economic Development." Bombay: The Commercial Printing Press, 1944.

appointed with the slow pace of industrialization, and saddened by the tragic experience of a famine which had exacted a heavy toll of lives in Bengal, was ready for any kind of solution which would bring a ray of hope. And it feared that the talk of postwar reconstruction indulged in by the government was not sincere. Above all, the brevity of the plan and the remarkably simple and powerful language in which it is set forth contributed to its successful reception.

II

The Bombay Plan does not provide a complete scheme of economic development; much less does it pretend to be a blueprint for action. All that it does is "to put forward as a basis of discussion, a statement in as concrete a form as possible, of the objectives to be kept in mind in economic planning in India, the general lines on which development should proceed and the demands which planning is likely to make on the country's resources." The principal objectives of the plan are to achieve a balanced economy and to raise the standard of living of the masses of the population rapidly by doubling the present per capita income — *i.e.* increasing it from \$22 to about \$45 — within a period of 15 years from the time the plan goes into operation. A preliminary period of three to five years is to be devoted to preparing the details of the plan. Unfortunately, however, the per capita income in a country whose population (386,000,000 in 1941) has been increasing at the rate of nearly 1.5 percent per annum cannot be doubled unless total income increases at a faster rate than the per capita income; hence the planners provide for trebling the total income in order to double the income per person.

Planning in India runs up against a serious difficulty at the outset. There are no reliable figures of national income, and the only reasonably trustworthy estimate is for that of 1931-1932, an abnormal year. The plan had to be framed on the figures of a period of relatively low prices; prices today are 200 to 250 percent higher than those of 1931-1939. The planners warn that "money is used throughout as a measuring rod only; and in order to keep the measure uniform we have based all money figures on the rupee at the average price level which prevailed during the period 1931-39." However inescapable and justifiable this method, statistics in the plan which are expressed in terms of money have no current basis and an element of unreality runs through all of them.

The inadequacy of the present income for even the most essential requirements of the people is vividly apparent in the miserable living conditions of most of India's millions. The planners have laid down minimum living standards on the basis of about 2,800 calories of well-balanced food a day for each person, 30 yards of clothing and 100 square feet of housing; and they also outline the minimum needs for elementary education, sanitation, water supply, village dispensaries and hospitals. The plan points out that absolutely minimum needs require an annual income of at least \$25; and if the income of the country were equally distributed it would give each individual only about \$22. The problem is to increase production and to devise a program for putting the minimum within the reach of all. But this minimum promises only bare subsistence; no one can be satisfied with it. There must be some margin for enjoyment of life and cultural opportunities, and this can be provided only if the total income increases at least to thrice the present level.

This goal, according to the plan, is to be reached by altering the relative

proportions in which agriculture, industry and services contribute to the national income, and increasing the output from agriculture by 130 percent, from industry by 500 percent, and from services by 200 percent. The shares of agriculture, industry and services in the total production is to be changed from 53, 17 and 22 percent, respectively, to 40, 35 and 20 percent (neglecting some categories of income not classified). Precisely how these changes in output are to be effected has not been made clear in the report.

The basis of Indian economy would continue to be agricultural even after this goal was reached. Some critics have said, however, that the plan lays undue stress on industrialization and sets its sights too low in regard to agriculture. But the plan explains that India's industrial potentialities are now largely unexploited and that there is much greater leeway for expansion in this field. And agricultural experts have pointed out that even to double the agricultural output in 15 years would not be an easy task, and that the scheduled increase of 130 percent is perhaps more than can be managed. Indeed, the most optimistic estimate of the Department of Agriculture dares hope for no more than a 50 percent increase in 10 years and perhaps a 100 percent increase in 15 years. It is unlikely, in fact, that an increase of more than 130 percent would be required for all purposes, and the more important question is whether the methods suggested for carrying out the agricultural program are reasonably efficient. The plan pins its faith on technical methods of improving agriculture — irrigation, model farms, improved implements, etc. — and on bringing fresh land under cultivation. It recommends the consolidation of holdings and coöperative farming, but proposes no further agricultural reorganization. Whether these methods of solving the enormous problem will be adequate is doubtful. It seems to the writer that little improvement can be expected unless the system of land tenure is reorganized and the dead hand of landlordism is removed.

The plan is highly realistic in its approach to industry. It emphasizes the importance of basic industries but also calls for the development of consumption goods industries in the early years of the plan. Power heads the list of basic industries which are to be developed, followed by mining and metallurgy, engineering, chemicals, armaments, transport, cement and others. The goal for expansion in each industry is not made clear. An important place is assigned to small-scale and cottage industries, and transport and communications are also to be developed. Here the objective is quite definite. The plan proposes doubling the present total of 300,000 miles of roads, increasing railway mileage by 50 percent from its present 41,000 miles, expanding coastal shipping and investing \$150,000,000 on improvement of harbors.

But the attention paid to the social services is the feature that has appealed most to the public. The plan offers a comprehensive program of mass education, including primary, secondary and vocational and university schooling. Provision is also made for adult education and scientific training and research. To finance this program a capital expenditure of \$700,000,000 and a recurring annual expenditure of nearly as much are recommended. A capital expenditure of \$840,000,000 and an annual expenditure of \$555,000,000 are provided for. The plan guarantees minimum housing for all. It is perhaps overambitious in this field, contemplating the building of nearly 55,000,000 new houses at a cost of 6.6 billion dollars. The capital expenditure proposed for the whole plan (omitting the annual recurring expenditure) is as follows:

	<i>In billions of dollars</i>
Industry	13.5
Agriculture	2.5
Communications	2.7
Education	.8
Health	.9
Housing	6.6
Others	.6
	27.6

The planners have added about 3 billion dollars to this sum for the recurring expenditure for one year, which in their view may be provided from out of capital funds. The Bombay Plan thus proposes an overall investment of 30 billion dollars in 15 years.

III

From what source is this enormous sum of capital to be drawn? The plan distinguishes between external finance, which would be available for payment to foreign countries for goods and services imported from them, and internal finance, for the mobilization of resources within the country. The plan assumes that roughly 8 billion dollars of external finance may be required and outlines the following methods of obtaining it. Though hoarded gold has been drawn upon for export since 1931, there are still large untapped amounts of it. The planners believe that "if suitable means are adopted for attracting hoards from their place of concealment and if a national government comes into power in which people have faith," about a billion dollars could be obtained. This would be available as foreign exchange. Secondly, as a result of India's new creditor position the balance of trade will improve sufficiently to enable her to use at least about \$120,000,000 annually for getting extra capital goods from abroad. In 15 years this should come to about 1.8 billion dollars. Thirdly, the plan relies upon sterling balances accumulated to India's credit in Britain to the tune of about 3 billion dollars. Finally, an external loan (mainly from the United States) of 2 billion dollars or more to fill in the gap is advocated.

But the main reliance is placed on internal capital resources. At the current rate of saving in India, reckoned at only 6 percent of the annual income, about 12 billion dollars of capital should be available during the 15-year period. But this is a conservative estimate. There are reasons to believe that the rate of saving is nearer 8 percent than 6, and, as the annual income increases, a larger percentage may be expected to be saved. But whatever the estimated rate of savings, normal savings will clearly not be adequate to the needs; and here the plan has resorted to the unorthodox method of raising capital by "created money." About 10 billion dollars is expected to be obtained by borrowing against *ad hoc* securities from the Central Bank. The planners admit that new money in this amount can be created "only if people have full confidence in the resources and bona fides of the government that creates it." But there is nothing inherently wrong or unsound in this procedure, as in the long run assets equal in value to the created money would have been produced. It is recognized, however, that during the planning period there would be a gap between the volume of purchasing power in the hands of the people and the volume of

goods available, leading to an inflationary situation. The planners boldly affirm that during this interval "in order to prevent the inequitable distribution of the burden between different classes which this method of financing will involve, practically every aspect of economic life will have to be so rigorously controlled by government that individual liberty and freedom of enterprise will suffer a temporary eclipse."

No other feature of the plan has been subjected to so severe or widespread a criticism as its financial aspect. Some of the criticisms are purely formal. For example, gold is said to be as much a country's internal capital as annual saving and therefore should not be classified as external finance. But the point of the classification is that gold is world money and a never-failing method of obtaining goods from abroad. Formally, it is also wrong to regard balance of trade as external capital. But here again the planners were right in regarding the balance of trade as available for further import of goods from abroad, on the assumption that export and import controls will continue in the planning period. Another important criticism, not so much from India as from Britain, is that the financial foundation of the plan is seriously shaky in so far as it relies upon sterling balances which may not be available for a considerable period after the war. The answer to this is that India has a right to expect that the question of unblocking sterling will be solved to her satisfaction, and that even if the balances are funded over a period, repayment will start immediately. If, for any reason, it is found that Britain cannot start the payment until, say, five years after the war, some arrangement should be concluded with the United States which would enable India to draw upon America until Britain is in a position to begin installment payments. As regards the 2 billion dollar foreign loan, India believes that her credit is so strong and the investment opportunities which she can offer the rest of the world are so vast that there would be no difficulty in getting even twice this amount.

The sharpest attacks have been directed against "created money." It is said that there is danger in resorting to created money in the period after the war, when the country is still in its inflationary phase. But in the context of economic planning, created money has no perils at all. Indeed, the planners went wrong in treating the subject from the traditional point of view in terms of created money, rather than in terms of planned savings. This defect has since been remedied by Mr. G. D. Birla, who pointed out in a clear and competent amplification of the plan that what is required is annual savings of about 16 percent, and that what they are called does not matter. He believes that such savings are practicable. Since the plan gives special attention to the supply of consumption goods in the initial period, savings of 16 percent may be achieved without imposing excessive or unequal burdens upon the poor, provided price control and rationing are effective. The plan does not discuss the question of how the savings would be raised, but it obviously expects that several methods will be followed — taxation, direct restrictions on consumption, allocation to reserves in state-owned and controlled businesses, special allowances from taxation in reporting allocations to reserves, etc. The real issues are, first, how much control will be required to put through the financial scheme, and, second, how much control can or should the public stand?

In a final chapter the plan sketches in broad outlines the three five-year periods into which the scheme of economic development has been divided. In the first five-year period the distribution of capital among basic industry,

consumption goods industries, communications and services gives equal importance to the first two, and allocates smaller amounts to the latter two. In the second five-year period basic industry is to receive another and still larger appropriation; in the third stage the social services are to be allocated the largest amount, and the development of communications also receives special attention.

IV

This, then, is the substance of the Bombay Plan. It rests on one or two basic assumptions and does not pretend to be a complete program. It assumes that details will be elaborated by a National Planning Committee to be set up by a national government enjoying the confidence of the people, and that the plan will be executed by a supreme economic council. The scheme also postulates the economic unity of India as an essential condition of effective planning.

It has many a gap. It leaves for further examination such important questions as the methods to be used in putting the plan through, and the principles on which industry is to be organized. Will industry be owned and directed by the state or by private enterprise? Or to what degree will the two principles be bleaded? And how is income to be distributed among the various sections of the people so as to guarantee to all the basic minimum which is the fundamental idea of the whole plan? And yet, in spite of all the omissions, the plan has rightly exerted a powerful appeal. It has made the country planning-conscious. And that the foremost industrialists of the country should go on record as being willing to subject themselves to a certain degree of social and economic control is itself no small gain.

To the outside world the natural questions are: (1) Is this merely a paper plan, large-sounding but empty of content and unlikely to be adopted? (2) Is it practicable in the sense that the financial, technical and material resources necessary for its success are within reach? (3) If it succeeds, what effect would it have on the economy of the rest of the world? In particular, is so rapid an economic development of India advantageous from the American point of view? These are highly important questions to which some answer should be attempted here.

The plan is not a mere paper plan. Its influence is already apparent in the various schemes of postwar economic reconstruction prepared by the Government of India, and in the appointment of Sir Ardeshir Dalal, one of the signatories to the Bombay Plan, as head of the Government's Planning and Development Department. Within the framework of the existing constitution, but with the hope of obtaining powers of coördination and central control, the government has prepared a fairly comprehensive plan embracing the development of agriculture, forests, fishery and transport and the provision of education, sanitation, public health and other social services. Unlike the Bombay Plan, these proposals have no overall objective and are perhaps somewhat pedestrian in their methods. But there is no reason to think that the results of government planning would differ very materially from the goals set by the Bombay Plan. Both aim, for example, at doubling agricultural output, doubling transport facilities, liquidating illiteracy, providing sanitary and medical facilities and increasing industrial output. Only in respect of housing is the government scheme pitifully inadequate.

Whatever the political conditions of the country are after the war, economic

reconstruction of one kind or another will be undertaken. But the speed with which it is done will depend upon whether India is independent and can initiate and execute plans herself, and upon the kind of constitutional setup the country has. Central planning, central coördination and central direction are necessary for successful economic development; but it is impossible to say whether the provinces and states in the future Government of India will agree to subject themselves to so much control. There is no reason to think that the reconstruction scheme prepared by the industrialists is unsound or impracticable. The writer ventures to say that, contrary to general opinion, the financial shortcomings of the plan are not the most serious ones. India is fortunately placed in this respect. Her internal financial resources are vast and untapped, her foreign balances substantial; loans from abroad may safely be expected. The more serious problem is one of administrative and technical personnel and lack of knowledge, of "know-how." It is here that the need for close coöperation between India and the west, particularly the United States, is most essential. India must send out at least a few hundred men every year for training in all spheres of economic activity, and she must arrange to bring American engineers, technicians, chemists, businessmen and administrators to India. Another limitation on the plan is the rate at which capital investment can be absorbed into Indian economy. Absence of one or two essential factors can hold up any scheme, and India's planning period may have to be extended beyond 15 years. It is also possible that some goals are set too high—that in agriculture, for example, unless there is to be radical reform of land-tenures and some form of collective farming. But despite all doubts and difficulties there is no warrant for the view that the plan is inherently impracticable.

A sudden transformation of India's economy would, of course, have a deep and far-reaching impact, but India's economic development will have nothing but a favorable effect on the rest of the world. India does not propose to adopt self-sufficiency as her goal, although her special geographical and strategical position in southeast Asia will no doubt influence her to become more self-sufficient than in the past. The immediate effect of her economic reconstruction will be a great impetus to imports from abroad, particularly from America—perhaps the only country that can meet the demand. After she attains a fair degree of industrialization, the nature of her import and export trade will alter, but experience has shown that trade tends to radiate among industrial countries. Industrialized India will foster wider and larger international trade. A mounting standard of living for India's millions will exert not a little power on the export possibilities of the rest of the world.

There are important reasons why Britain and especially America should encourage India's scheme of postwar economic reconstruction. For a year or so after the war America may be fully engaged in meeting her own backlog demand, but subsequently India's demand will be a factor strengthening world economy and enabling America and Britain to maintain full employment. The fear that with American machinery India will build up industries which will ultimately damage America's markets or reduce her competitive power is unreal. The character of trade will alter with time, but at every stage there will be cost differences of hundreds of articles which will compel trade to flow from and to both regions. India's economic development will contribute to economic expansion and fuller employment both within her own borders and abroad.

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FREEDOM AND CIVILIZATION. BY BRONISLAW MALINOWSKI. New York: Roy, 1944, 338 p. \$3.50.

This work of fundamental importance was virtually completed before the noted anthropologist died in 1942. All those who prize the enduring values of liberty and democracy will find this book replete with challenging ideas.

THE ANNIHILATION OF MAN: A STUDY OF THE CRISIS IN THE WEST. BY LESLIE PAUL. New York: Harcourt, 1945, 214 p. \$2.50.

The essential thesis on which this provocative book rests is that the conditions out of which Fascism and Nazism grew exist in other countries — notably Great Britain — and that we cannot therefore consider the war won merely with the military defeat of Germany. Mr. Paul finds that the disease from which European civilization suffers is more spiritual than material.

PROBLEMS OF THE POSTWAR WORLD. EDITED BY THOMAS CARSON TOOKE McCORMICK. New York: McGraw-Hill, 1945, 526 p. \$3.75.

A symposium on various problems — political, economic and international — by some 16 members of the University of Wisconsin faculty and three experts from other institutions.

A DYNAMIC WORLD ORDER. BY DONALD A. MACLEAN. Milwaukee: Bruce, 1945, 235 p. \$2.50.

The bases of a just political and economic order expounded by a professor at the Catholic University of America.

POLITICS AND MORALS. BY BENEDETTO CROCE. New York: Philosophical Library, 1945, 203 p. \$3.00.

Translations, none too expert, of ten essays in political philosophy, by the noted Italian thinker and statesman.

AN ESSAY ON MAN. BY ERNST CASSIRER. New Haven: Yale University Press, 1944, 237 p. \$3.00.

A penetrating and broad-ranging interpretation of human life and cultural values.

OUR TWO DEMOCRACIES AT WORK. BY K. B. SMELLIE. London: Harrap, 1944, 63 p. 6/.

This concise, easily comprehensible comparison of the democratic systems in Britain and the United States is illustrated with numerous pictures and graphs.

STRANGERS SHOULD NOT WHISPER. BY JAN-ALBERT GORIS. New York: L. B. Fischer, 1945, 260 p. \$2.75.

Some tencore editorials reprinted from *News from Belgium*, a weekly publication put out by the Belgian Government Information Center in New York, of which the author has served as head since 1941.

PUBLIC OPINION AND THE LAST PEACE. BY R. B. MCCALLUM. New York: Oxford University Press, 1944, 214 p. \$3.50.

This is a book that will repay careful reading and pondering. The author traces, with

rare insight and intelligence, the evolution of opinion (primarily in Britain) toward the Treaty of Versailles, the League Covenant and the erstwhile Allies, especially France.

EUROPE NOW. BY H. V. KALTENBORN. New York: Didier, 1945, 187 p. \$2.50.

This is a good example of how not to write a book. Mr. Kaltenborn, one of the more dogmatic of our radio commentators, spent all of five weeks in Rome, Paris and London — with brief trips nearer the front. He deplores the Communist movements and in general supports the conservative elements against the underground.

TEN YEARS TO ALAMEIN. BY MATTHEW HALTON. London: Drummond, 1944, 220 p. 12/6.

Before presenting his very vivid account of the war in North Africa, the author lets fly a quiver-full of well-aimed arrows at the appeasers and other ostriches who made this war inevitable.

EUROPE FREE AND UNITED. BY ALBERT GUÉRARD. Stanford University: Stanford University Press, 1945, 206 p. \$2.50.

Some very suggestive ideas on how in Europe — at least west of the Curzon Line — the mechanisms of closer unity can replace the existing self-contained and self-destructive nationalisms. Professor Guérard would have Europe begin its evolution toward unity with a common police force and customs union. For a common language, he suggests an up-to-date version of Latin.

TOWARD THE UNDERSTANDING OF EUROPE. BY ETHAN T. COLTON. New York: Association Press, 1944, 86 p. \$1.00.

Essays on some of the more vexatious of Europe's political and nationality problems.

LES PROBLÈMES POLITIQUES DE L'EUROPE: RÉFLEXIONS SUR LA PAIX FUTURE. BY ANDRÉ GROS. London: Hachette, 1944, 158 p. 5/.

Essays in which the political future of Europe is viewed, despite the havoc of this war, as an organic outgrowth of the historical evolution of that Continent.

TAKE YOUR PLACE AT THE PEACE TABLE. BY EDWARD L. BERNAYS. New York: Gerent Press, 1945, 60 p. \$1.00.

A noted publicity expert gives practical advice on how the individual citizen can play his or her rôle in making and keeping world peace.

TOWARDS WORLD RECOVERY. BY REV. HENRY CARTER. London: National Peace Council, 1945, 103 p. 2/6.

These "Plans and Proposals for International Functional Co-operation" are stated in considerable detail.

THE GREEN STAR. BY JOSEPH W. DUBIN. Philadelphia: National Institute of Esperanto, 1944, 281 p. \$2.50.

A history of Esperanto and a plea for its universal use as the language of international intercourse, by the Director of the National Institute of Esperanto.

BOMBERS. BY KEITH AYLING. New York: Crowell, 1944, 194 p. \$2.50.

A reliable, readable history of aerial bombing and bombers during the last three decades. There are numerous illustrations.

FIGHTING WINGS. BY GILBERT PAUST AND MILTON LANCELOT. New York: Essential Books, 1944, 256 p. \$2.75.

More than 250 "action photographs" of air combat in both World Wars, strung together with brief historical text.

JANE'S ALL THE WORLD'S AIRCRAFT 1943-44. COMPILED AND EDITED BY LEONARD BRIDGMAN. New York: Macmillan, 1945, v. p. \$19.00.

The latest issue of the standard reference work on both the civil and the military air services of all the countries of the world. The many illustrations add greatly to the value of the book.

INTERNATIONAL LAW: CHIEFLY AS INTERPRETED AND APPLIED BY THE UNITED STATES. BY CHARLES CHENEY HYDE. Boston: Little, Brown, 1945, 3v. \$45.00.

This is the revised and considerably enlarged edition of a fundamental work that first appeared in 1922.

DERECHO INTERNACIONAL. Volume I. BY MIGUEL CRUCHAGA TOCORNAL AND OTHERS. Santiago de Chile: Nascimento, 1944, 722 p.

The authors of this treatise are Chilean diplomats and jurisconsults. In this first volume they briefly review the history of international relations since ancient times before undertaking a more thorough examination of the general nature of international law and the modern state. Their concluding chapters are devoted to the status of the Holy See and the League of Nations.

INTERNATIONAL TRIBUNALS: PAST AND FUTURE. BY MANLEY O. HUDSON. Washington: Brookings Institution, 1944, 287 p. \$2.50.

A scholarly treatise on the problems, past and future, involved in setting up and operating international tribunals, by a leading American authority on international law and Judge on the World Court.

WAR CRIMINALS: THEIR PROSECUTION AND PUNISHMENT. BY SHELDON GLUECK. New York: Knopf, 1944, 250 p. \$3.00.

The author, professor of criminal law and criminology at Harvard University, approaches this problem fully aware of its complexity and of its ramifications into the fields of politics, psychology and ethics. His treatment is scholarly and his text is documented with copious notes.

THE POSTWAR SETTLEMENT OF PROPERTY RIGHTS. New York: Council on Foreign Relations, 1945, 78 p. gratis.

This memorandum is the product of a Council Study Group under the chairmanship of Mr. John W. Davis. It first reviews the treatment accorded the property of nationals of the United Nations located in Axis-controlled territory as well as of Axis-owned property in the territory of the United Nations. Following this, there is a series of nine recommended principles which the Group believes should govern the action of the United Nations.

COLLECTION OF INTERNATIONAL WAR DAMAGE CLAIMS. BY RENÉ WORMSER. New York: Alexander, 1944, 411 p. \$7.50.

A comprehensive treatise on how these claims may be collected.

FOREIGN AFFAIRS BIBLIOGRAPHY. A SELECTED AND ANNOTATED LIST OF BOOKS ON INTERNATIONAL RELATIONS, 1932-1942. BY ROBERT GALE WOOLBERT. New York: Harper, for the Council on Foreign Relations, 1945, 727 p. \$6.00.

A selected bibliography of the most significant books published throughout the world between 1932 and 1942, covering the field of international relations — contemporary history, politics, diplomacy, economics and finance, international law and world organization, as well as related subjects such as political philosophy, comparative government, social development, religion, cultural relations, population and racial problems, and modern warfare. The first part of the book is devoted to these categories, followed by sections on the First and Second World Wars. The remainder of the volume takes up in turn each continent, region and country. In all there are some 10,000 titles in 40 different languages classified under about 500 headings with appropriate cross references. Each entry is briefly appraised and supplied with full bibliographical data — the author's full name, the place and date of publication, the name of the publisher and the number of pages. This is a continuing volume to **FOREIGN AFFAIRS BIBLIOGRAPHY, 1919-1932**, by William L. Langer and Hamilton Fish Armstrong.

General: Economic and Social

THE UNITED STATES IN A MULTI-NATIONAL ECONOMY. BY JACOB VINER AND OTHERS. New York: Council on Foreign Relations, 1945, 182 p. \$2.00.

Five economists contribute to the formulation of a consistent American policy on colonies, trade, money and investment, shipping, lend-lease and the treatment of Germany.

THE ECONOMICS OF PEACE. BY KENNETH E. BOULDING. New York: Prentice-Hall, 1945, 278 p. \$3.75.

A discerning analysis of the recent evolution of economic theory and of contemporary economic problems. The author, now on the faculty of Iowa State University, was formerly on the staff of the League of Nations.

VARNING FÖR FREDSOPTIMISM. BY GUNNAR MYRDAL. Stockholm: Bonnier, 1944, 354 p. 7.50 Swedish crowns.

A sympathetic but pessimistic analysis of America's ability to stabilize her economy in the postwar period, and of British and American capacity to create a satisfactory world economic order.

THE RECONSTRUCTION OF WORLD AGRICULTURE. BY KARL BRANDT. New York: Norton, 1945, 416 p. \$4.00.

This timely book will be particularly valuable to those who are responsible for European relief and reconstruction policies. It is full of sound judgments based on a wide knowledge of agricultural production and trade.

FOOD FOR THE WORLD. EDITED BY THEODORE W. SCHULTZ. Chicago: University of Chicago Press, 1945, 352 p. \$3.75.

These papers and discussions by a panel of experts comprise the record of the twentieth institute of the Harris Foundation at the University of Chicago. Six of the papers concern international relations.

TIN UNDER CONTROL. BY K. E. KNORR. Stanford University: Food Research Institute, 1945, 314 p. \$3.00.

Here is another of the scholarly and authoritative "Commodity Policy Studies" prepared for the Food Research Institute. The author concludes that although the cartel was conspicuously successful from the viewpoint of producers, it raised prices unnecessarily, interfered with the economic distribution of production, and brought negligible gains to workers.

CURRENCY AFTER THE WAR: THE BRITISH AND AMERICAN PLANS. BY PAUL EINZIG. London: Nicholson, 1944, 152 p. 9/.

A critical and somewhat technical analysis of the White and Keynes Plans, by a well-known British economic writer. Dr. Einzig is opposed to the gold standard and old-fashioned free trade.

MONEY AND THE LAW. New York: New York University School of Law, 1945, 159 p. \$2.50.

These are the proceedings of the Institute on Money and the Law, held in New York in January 1945. The papers dealing with international monetary problems oppose the Bretton Woods Agreement.

THE COMING AIR AGE. BY REGINALD M. CLEVELAND AND LESLIE E. NEVILLE. New York: Whittlesey House, 1944, 359 p. \$2.75.

Here is a sound, comprehensive, quite readable description of what the airplane is going to do to revolutionize travel and transport throughout the world with the coming of peace.

INTERNATIONAL REGULATION OF FISHERIES. BY L. LARRY LEONARD. Washington: Carnegie Endowment, 1944, 201 p. \$2.00.

A scholarly, documented, juridico-historical monograph, issued in coöperation with the International Secretariat, Institute of Pacific Relations.

ADVANCE THROUGH STORM. BY KENNETH SCOTT LATOURETTE. New York: Harper, 1945, 542 p. \$4.00.

In this the concluding volume in his masterly "History of the Expansion of Christianity," Professor Latourette takes the story of Christian missionary activity from 1914 down to the present, winding up with a summary review of the whole story contained in the first six volumes.

CONSCIENCE AND SOCIETY. BY RANYARD WEST. New York: Emerson Books, 1945, 261 p. \$3.00.

An original "study of the psychological prerequisites of law and order."

A PANORAMA OF PREJUDICE. BY HARRY COHEN. New York: Bloch, 1944, 150 p. \$2.00.

A lawyer's analysis of the history and causes of anti-Semitism in modern times.

THE WAY TO FREEDOM. BY MEYER EDELBAUM. New York: Bloch, 1944, 284 p. \$2.50.

A justification of the Zionist solution for the problems of world Jewry.

DAVID WOLFFSOHN. BY EMIL BERNHARD COHN. Washington: Zionist Organization of America, 1944, 281 p. \$2.50.

This is the biography of the man who succeeded Theodore Herzl as head of the Zionist movement.

RELIEF AND REHABILITATION. BY ZORACH WARHAFTIG. New York: Institute of Jewish Affairs, 1944, 223 p. \$2.00.

This first volume in a series "From War to Peace" takes up in detail the implications of the program of UNRRA for the Jewish needs.

INDEMNIFICATION AND REPARATIONS: JEWISH ASPECTS. BY NEHEMIAH ROBINSON. New York: Institute of Jewish Affairs, 1944, 302 p. \$2.50.

This juridical monograph is No. 2 in the Institute's series, "From War to Peace."

A "First Supplement" has been prepared bringing the subject matter up to the end of February 1945.

A RISING WIND. BY WALTER WHITE. Garden City: Doubleday, 1945, 155 p. \$2.00.

The executive secretary of the National Association for the Advancement of Colored People, after visiting the European and Near East theaters, has a number of pertinent things to say about our race problem at home and with the Armed Forces abroad.

The First World War

FIGHTING GENERALS. BY LIEUTENANT GENERAL ROBERT LEE BULLARD. Ann Arbor: Edwards Bros., 1944, 329 p. \$5.00.

These biographical sketches of seven American Major-Generals in World War I are written by one of the top commanders of the A.E.F. This work is in large format and is profusely illustrated with contemporary photographs.

ARMISTICE 1918. BY HARRY R. RUDIN. New Haven: Yale University Press, 1944, 442 p. \$5.00.

In this volume, Professor Rudin has given us a sound, carefully documented history of how the Armistice came about. His work appears at a most opportune moment when there is every advantage to be won by learning from past mistakes. The record, as he exposes it on the basis of abundant documentation, thoroughly punctures the German claim that the Kaiser's Army was defeated, not in the field, but by the homeland's "stab in the back."

THE PEACE CONFERENCE OF 1919: ORGANIZATION AND PROCEDURE. BY F. S. MARSTON. New York: Oxford University Press, 1944, 276 p. \$3.50.

This is a most valuable and timely monograph, which traces the process by which the

transition from war to peace was effected between 1918 and 1920. The author, whose attention is given over primarily to organizational problems rather than to the substance of the treaties, shows clearly how heavy was the price paid for the failure to foresee the dangers that would arise from a too rapid demobilization, both military and economic.

The Second World War

A MINIATURE HISTORY OF THE WAR. BY R. C. K. ENSOR. New York: Oxford University Press, 1945, 153 p. \$1.50.

A very summary review down to the autumn of 1944.

THE OXFORD WAR ATLAS. VOLUME III: THE WAR IN 1943. BY JASPER H. STEMBRIDGE. New York: Oxford University Press, 1944, n.p. \$1.50.

Some 50 maps and diagrams, which make plain the course of the military operations and of inter-Allied economic relations during the war.

JEWS FIGHT TOO! BY MAC DAVIS. New York: Jordan, 1945, 221 p. \$2.00.

Stories from various fronts typifying the part played by Jewish soldiers.

TOURIST UNDER FIRE. BY THOMAS EDWARD HEALY. New York: Holt, 1945, 301 p. \$3.00.

Highly personal, though hardly profound, reports on an Australian-born journalist's doings in Burma and North Africa.

THE ROYAL AIR FORCE IN THE WORLD WAR. Volume II. BY CAPTAIN NORMAN MACMILLAN. London: Harrap, 1944, 351 p. 12/6.

A noted British writer on aviation here continues his history of the R.A.F. from the fall of Norway through the Battles of Holland, Belgium, France and Britain up to May 1941. Captain Macmillan's authoritative account is illustrated with a number of photographs and maps.

MILITARY OPERATIONS IN THE NETHERLANDS FROM 10TH-17TH MAY, 1940. BY P. L. G. DOORMAN. London: Allen and Unwin, 1944, 98 p. 5/.

A brief, factual account of the Nazi invasion of Holland, prepared by a staff officer in the Dutch Army from official records in the Netherlands Department of War in London. There are a number of photographs and four good maps.

THE RUSSIAN CAMPAIGNS OF 1941-1943. BY W. E. D. ALLEN AND PAUL MURATOFF. Harmondsworth: Penguin Books, 1944, 192 p. 9d.

A sound, compact review of military operations on the Eastern Front through 1943. Without detracting from the heroism and the masterly handling of the Soviet Armies, the authors point out the importance of the costly mistakes in Nazi strategy.

MEDITERRANEAN SWEEP. BY MAJOR RICHARD THRUENSEN AND LIEUTENANT ELLIOTT ARNOLD. New York: Duell, 1944, 278 p. \$3.00.

Some 50 episodes from the air war in the Mediterranean, of varying length and historical value, illustrated with a number of maps and colored reproductions.

GUNS FOR TITO. BY MAJOR LOUIS HUOT. New York: L. B. Fischer, 1945, 273 p. \$2.75.

The fascinating story of how an American officer organized the shipment of arms from southern Italy to Yugoslavia. The author visited Tito's headquarters in the fall of 1943.

SANK SAME. BY WILLIAM MELLOR, JR. New York: Howell, Soskin, 1944, 224 p. \$2.50.

The remarkable story of the work of the Civil Air Patrol in ridding the American east coast of German submarines during the early months of our participation in the war.

BATTLE REPORT. BY COMMANDER WALTER KARIG AND LIEUTENANT WELBOURN KELLEY. New York: Farrar, 1944, 499 p. \$3.50.

This account of the early months of the Pacific war — through the fall of the Philip-

piners and East Indies — was prepared from official sources and is illustrated with photographs, battle charts and a list of the American casualties.

COMBAT CORRESPONDENT. BY LIEUTENANT JIM LUCAS. New York: Reynal, 1944, 210 p. \$2.50.

The personal experiences and reactions of one who participated in the Tarawa and New Guinea campaigns as a newspaperman serving with the Marines.

CARRIER WAR. BY LIEUTENANT OLIVER JENSEN. New York: Simon and Schuster, 1945, 172 p. \$2.50.

A profusely illustrated and thoroughly readable account of the great carrier actions in the Pacific from September 1943 to October 1944.

MY LIFE TO THE DESTROYERS. BY CAPTAIN L. A. ABERCROMBIE AND FLETCHER PRATT. New York: Holt, 1944, 157 p. \$2.75.

The first year and a half of the war in the Pacific as experienced by an American destroyer captain and as told through the terse prose of Mr. Pratt, expert on naval affairs.

FLYING LEATHERNECKS. BY CAPTAIN RICHARD G. HUBLER AND CAPTAIN JOHN A. DECHANT. Garden City: Doubleday, 1944, 225 p. \$2.50.

A factual account of the work of the Marine Corps Aviation from Pearl Harbor down to 1944.

"PURPLE HEART VALLEY." BY MARGARET BOURKE-WHITE. New York: Simon and Schuster, 1944, 182 p. \$3.00.

In this intimate, first-hand description of the Cassino campaign in Italy the author has accompanied her usual superb photography with exciting text.

GREEN ARMOR. BY OSMAR WHITE. New York: Norton, 1945, 288 p. \$3.00.

An Anzac correspondent reports vividly and intelligently on the early stages of the war in New Guinea, when only a few Australian troops were on hand to hold the Japanese, with the treacherous aid of the island's tropical jungle — the "green armor." The last part concerns the American invasion of New Britain.

GUADALCANAL ROUND-TRIP. BY ALFRED S. CAMPBELL. Lambertville (N. J.): The Author, 1945, 112 p. \$2.00.

A brief, personal account of the experiences of a Red Cross official who accompanied the Marines to Guadalcanal.

WHAT AUSTRALIA HAS DONE. EDITED BY H. C. SMART. London: Eyre, 1944, 100 p. 1/3.

An abundantly illustrated and popular story of the part played by Australian forces in this war, mostly in the South Pacific.

LEYTE CALLING. BY LIEUTENANT JOSEPH F. ST. JOHN. New York: Vanguard, 1945, 220 p. \$2.00.

A first-hand story of guerrilla fighting in the Philippines before the arrival of MacArthur last October.

FIRST STEPS TO TOKYO: THE ROYAL CANADIAN AIR FORCE IN THE ALEUTIANS. BY FLYING OFFICER D. F. GRIFFIN. Toronto: Dent, 1944, 50 p. \$1.00.

An illustrated account of the contribution made by the Royal Canadian Air Force to the reconquest of the far Aleutians.

The United States

THE UNITED STATES AND THE WORLD COURT. BY DENNA FRANK FLEMING. Garden City: Doubleday, 1945, 206 p. \$2.00.

Professor Fleming retells vividly, even passionately, the unhappy story of how a minority in the United States Senate managed to prevent American participation in the World Court despite the fact that every President since Wilson recommended our

entry. One of his suggestions for preventing a repetition of this experience is a constitutional amendment providing for treaty ratification by joint resolutions of Congress.

FRANKLIN DELANO ROOSEVELT: A MEMORIAL. EDITED BY DONALD PORTER GEDDES. New York: Pocket Books, 1945, 249 p. 25 cents.

This little memorial volume represents quite a feat of wartime publishing. Appearing less than a fortnight after the President's death and burial, it contains a circumstantial record of that tragic week end, as well as a brief review of Mr. Roosevelt's career and political philosophy.

MY AUNT LOUISA AND WOODROW WILSON. BY MARGARET AXSON ELLIOTT. Chapel Hill: University of North Carolina Press, 1944, 302 p. \$3.00.

A younger sister of the first Mrs. Wilson casts many interesting sidelights on the war President as a family man.

LOST VISIONS. BY HARRY AUGUSTUS GARFIELD. Boston: Privately printed, 1944, 277 p.

This volume, printed posthumously, was written by the late President Emeritus of Williams College, who served for a number of years on the Editorial Advisory Board of *FOREIGN AFFAIRS*. Its chapters comprise the author's recollections of the 1923 Institute of Politics at Williamstown and his journey through the Far East and East Indies in 1934. The appendix contains Professor A. H. Buffinton's brief story of the Institute.

ARE MEN EQUAL? BY HENRY ALONZO MYERS. New York: Putnam, 1945, 188 p. \$2.50.

A searching "inquiry" into the history and significance of American democracy. **PUBLIC JOURNAL: MARGINAL NOTES ON WARTIME AMERICA.** BY MAX LERNER. New York: Viking, 1945, 414 p. \$3.00.

A selection of some hundred editorials which originally appeared during the last two years in the New York paper *PM*, of which the author is chief editorial writer.

CAN REPRESENTATIVE GOVERNMENT DO THE JOB? BY THOMAS K. FINLETTER. New York: Reynal, 1945, 184 p. \$2.00.

Mr. Finletter, who for several years served as Special Assistant to the Secretary of State, believes that the apparatus of our Federal Government, despite its demonstrated flexibility, cannot as constituted cope with the urgent problems of both foreign and domestic affairs now facing it. He therefore makes several concrete proposals, one of which would require a constitutional amendment, looking toward a better integration of Congress and the Executive branch.

THE FIRST ROUND. BY JOSEPH GAER. New York: Duell, 1944, 478 p. \$2.50.

What the CIO Political Action Committee is, what it wants, and how it goes about getting it — set forth in graphic and sympathetic detail.

BLACK MAIL. BY HENRY HOKE. New York: Readers Book Service, 1944, 89 p. \$1.00.

This purports to be a documented exposé of those Americans who helped, largely before Pearl Harbor, to spread the propaganda of our present enemies.

TOMORROW'S BUSINESS. BY BEARDSLEY RUMML. New York: Farrar, 1945, 238 p. \$2.50.

Mr. Ruml is one of our most articulate observers of economic trends. To an unusual degree he represents a happy, if somewhat unorthodox, combination of theory and practice. In the present volume he ranges widely over problems involving the relations of government and business. Among the interesting points he develops is the assertion that business is itself a form of government.

AMERICA'S ROLE IN THE WORLD ECONOMY. BY ALVIN H. HANSEN. New York: Norton, 1945, 197 p. \$2.50.

One of America's leading economists presents a clear description and analysis — for the layman — of the steps that must be taken if the coming world political organization is to have that indispensable complement, economic security. He finds that this world-

wide security can be attained only if the United States coöperates fully and wholeheartedly in the mechanisms that are set up, such as those provided for at Bretton Woods.

AMERICA'S PLACE IN THE WORLD ECONOMY. EDITED BY ARNOLD J. ZURCHER AND RICHMOND PAGE. New York: New York University Press, 1945, 250 p. \$3.50.

Fourteen addresses delivered at the fourth series of conferences of New York University's Institute on Postwar Reconstruction.

THE LIQUIDATION OF WAR PRODUCTION. BY A. D. H. KAPLAN. New York: McGraw-Hill, 1944, 133 p. \$1.50.

This slender volume contains, in readily comprehensible form, the essence of a great deal of research carried on under the auspices of the Committee for Economic Development. It deals specifically with the problems involved in the cancellation of war contracts and disposal of government-owned plants and surpluses. The author, until recently professor of economics at the University of Denver, is now on the staff of the Brookings Institution.

PRODUCTION, JOBS AND TAXES. BY HAROLD M. GROVES. New York: McGraw-Hill, 1944, 116 p. \$1.25.

Here is another of the concise and readable studies prepared for the Committee for Economic Development. This volume discusses the revision of the federal system of taxation, after the war, as a means of attaining greater production and employment levels. The author is professor of economics at the University of Wisconsin.

DEMOBILIZATION OF WARTIME ECONOMIC CONTROLS. BY JOHN MAURICE CLARK. New York: McGraw-Hill, 1944, 219 p. \$1.75.

An expert's "research study" presented in language for the literate layman. The author is professor of economics at Columbia University, and his work was undertaken on behalf of the Committee for Economic Development.

PROVIDING FOR UNEMPLOYED WORKERS IN THE TRANSITION. BY RICHARD A. LESTER. New York: McGraw-Hill, 1945, 152 p. \$1.50.

This research study, prepared for the Committee for Economic Development, is focused on one of the most troublesome problems of the reconversion period. The author is associate professor of economics at Duke University.

OUR FLYING NAVY. New York: Macmillan, 1944, 97 p. \$3.75.

A popular, semi-official description of the organization and activities of the air arm of the United States Navy, with 80 colored reproductions of paintings by a number of American artists.

BORN FREE AND EQUAL. BY ANSEL ADAMS. New York: U. S. Camera, 1944, 112 p. \$2.00.

A photographic report on the activities and attitudes of the loyal Japanese-Americans at the Manzanar Relocation Center in California.

HIGHWAY TO ALASKA. BY HERBERT C. LANKS. New York: Appleton-Century, 1944, 200 p. \$5.00.

A veteran traveller explores the Alaska Highway with pen and camera to give us this first-hand description of the much-disputed project.

AMERICAN HANDBOOK. Washington: Public Affairs Press, 1945, 508 p. \$3.75.

This is a very useful compendium of well-organized information concerning the various branches of the Federal Government, the resources and economic development of the country, as well as all sorts of social, cultural and historical matters. This volume was prepared by the Office of War Information, primarily for foreign consumption.

Western Europe

LA DÉMOCRATIE FRANÇAISE: HIER — AUJOURD'HUI — DEMAIN. BY ROGER PICARD. New York: Brentano, 1944, 79 p. 75 cents.

This interpretative essay was first worked out on the lecture platform before various American audiences.

UNE FRANCE NOUVELLE POUR LE MONDE NOUVEAU. By JACQUES MARQUETTE. New York: Maison Française, 1944, 263 p. \$2.00.

Essays on the reorganization — political, educational and otherwise — which the author holds must be carried out if France is to resume her historic place in the world.

BELGIUM. EDITED BY JAN-ALBERT GORIS. Berkeley: University of California Press, 1945, 478 p. \$5.00.

This latest addition to Professor R. J. Kerner's "United Nations Series" covers not only Belgium but the Belgian Congo, to which six chapters are devoted.

TOTAL WAR AND THE HUMAN MIND. By MAJOR A. M. MEERLOO. London: Allen and Unwin, 1944, 78 p. 5/.

The most interesting part of this book is the author's description of life in occupied Holland, particularly in its psychological aspects. The volume was published for the Netherlands Government Information Bureau.

EDUCATION IN DEMOCRACY: THE FOLK HIGH SCHOOLS OF DENMARK. By JOHN CHRISTMAS MØLLER AND KATHERINE WATSON. London: Faber, 1944, 160 p. 5/.

A description of the evolution and achievements of the Folk High Schools in Denmark, which have revolutionized the economy and the social structure of that country.

FUTURE GERMANY. By COLONEL T. H. MINSHALL. New York: Norton, 1944, 216 p. \$2.75.

In this volume Colonel Minshall continues his analysis of Germany and the Germans begun in his "What To Do With Germany," reviewed in the January 1943 issue of FOREIGN AFFAIRS. In the present work he goes into considerable detail concerning the things that should be done, not only with Germany, but with Europe — on both the physical and psychological planes.

RE-EDUCATING GERMANY. By WERNER RICHTER. Chicago: University of Chicago Press, 1945, 227 p. \$3.50.

Professor Richter for a number of years occupied an important position in the Prussian Ministry of Education. No one will question his knowledge of the German mentality and of Germany's educational apparatus, but doubt may properly be expressed as to the adequacy of the measures he proposes for reforming a whole generation corrupted by Nazism.

LEGAL CLAIMS AGAINST GERMANY. By SIEGFRIED GOLDSCHMIDT. New York: Dryden, 1945, 213 p. \$3.00.

An authority on international law reviews the legal precedents which should prove useful in seeking compensation for the barbarities of the Nazi régime.

VERGELTUNG UND WIEDERGUTMACHUNG IN DEUTSCHLAND. By LOUIS C. BIAL. Havana: Lex, 1945, 83 p.

The author demonstrates the unconstitutionality of the Nazi régime from its inception in 1933 and thus the illegality of all its acts of confiscation, open or veiled. He suggests procedures for obtaining restitution, or satisfaction, and for punishing Nazi war criminals.

LA POLITICA ITALIANA DA PORTA PIA A VITTORIO VENETO (1870-1918). By IVANOE BONOMI. Turin: Einaudi, 1944, 438 p.

This illuminating interpretation of the political history of Italy by the present Prime Minister of that country was originally printed in 1941 but not published, thanks to orders from Mussolini.

THE LIFE OF POPE PIUS XII. By CHARLES HUGO DOYLE. New York: Didier, 1945, 258 p. \$3.00.

A sympathetic biography of the reigning Pontiff, in which his wide travels throughout the world are stressed.

PRIMO DE RIVERA: SOLDADO Y GOBERNANTE. BY EDUARDO AUNÓS. Madrid: Alhambra, 1944, 240 p. \$2.40.

The character and career of the dictator placed in a most favorable light by a leading Spanish publicist.

LA POLÍTICA SOCIAL DE LA DICTADURA. BY EDUARDO AUNÓS. Madrid: Real Academia de Ciencias Morales y Políticas, 1944, 144 p.

The text of a public lecture in which Aunós describes, and praises, the social welfare policies put into effect during the twenties by the Primo de Rivera régime.

Eastern Europe

CROSSROADS OF TWO CONTINENTS: A DEMOCRATIC FEDERATION OF EAST-CENTRAL EUROPE. BY FELIKS GROSS. New York: Columbia University Press, 1945, 162 p. \$2.00.

A factual review of the federal idea in eastern Europe, followed by an appraisal of the problems involved in creating a democratically based federation there after this war. The author makes a concrete and detailed proposal for such a union. There is a documentary appendix, a selected bibliography and four maps.

GERMANY, RUSSIA AND THE FUTURE. BY J. T. MACCURDY. New York: Cambridge University Press, 1944, 140 p. \$1.25.

This is No. 23 in Sir Ernest Barker's series of topical little books entitled "Current Problems." Unhappily, the author's intentions in this volume are somewhat frustrated by his inadequate knowledge of Russian history and his anti-Soviet prejudices.

REPORT ON THE RUSSIANS. BY W. L. WHITE. New York: Harcourt, 1945, 309 p. \$2.50.

This book has raised a tremendous controversy among the critics of two continents. Bill White, son of the late William Allen White, has established a reputation as a perceptive and sensitive reporter in such books as "They Were Expendable" and "Journey for Margaret." The present volume is the fruit of the author's six weeks' trip through the Soviet Union in company with Eric Johnston, President of the U. S. Chamber of Commerce. Unhappily, when White went to Russia he did not possess that knowledge of the country's history or the readiness to understand what he saw which alone would have made him a reliable reporter. Though most of his facts are probably true, or at least have the appearance of truth, he has managed in their selection to convey a distorted picture of Russian life today. Perhaps this is due in part to naïveté and provincialism, though the reader cannot but suspect that it is in part due to the author's unwillingness psychologically to meet the Russians half way. It is only fair to say that White's general attitude of deprecating the drab primitiveness of Soviet life is reminiscent of the way foreigners viewed his own Middle West not so many years ago when it, like Russia, was suffering from growing pains.

RUSSIA IS NO RIDDLE. BY EDMUND STEVENS. New York: Greenberg, 1945, 300 p. \$3.00.

On the whole a well-informed, sane but somewhat episodic report on events and conditions in Russia during recent years, by a former Moscow correspondent of the *Christian Science Monitor*.

THE REAL SOVIET RUSSIA. BY DAVID J. DALLIN. New Haven: Yale University Press, 1944, 260 p. \$3.50.

This is the third of Mr. Dallin's books on Russia to appear in recent years. Unlike the two previous ones, which concerned Soviet foreign policy, the present volume presents the author's interpretations of the evolution of internal affairs under the Soviet régime. More than in his earlier works, Mr. Dallin, who has not been in Russia

for many years, here displays a contentious and polemic rather than objective spirit. He does not like the Stalinist dictatorship, and the sooner it is over the better, he holds.

COLLECTED WORKS. VOLUME XXIII. By V. I. LENIN. New York: International Publishers, 1945, 539 p. \$3.50.

This volume contains some hundred articles and speeches from the crucial period May to November 1918, and was edited by Alexander Trachtenberg.

THE SPIRIT OF RUSSIAN ECONOMICS. By J. F. NORMANO. New York: Day, 1944, 170 p. \$2.00.

An examination of the foreign influences that have been at work on Russia's recent economic thought but which have not changed its fundamentally Slavic content. This book is published in coöperation with the Russian Economic Institute.

LIFE AND CULTURE OF POLAND. By WACŁAW LEDNICKI. New York: Roy, 1944, 328 p. \$3.50.

Polish history, political thought, religion and national life as mirrored in the country's literature.

POLAND: LAND OF THE WHITE EAGLE. By EILEEN A. ARTHURTON. London: MaxLove, 1944, 120 p. 7/6.

A rather popular and miscellaneous little book in which the author reveals a decidedly pro-Polish slant.

COLONEL BECK AND HIS POLICY. By STANISŁAW MACKIEWICZ. London: Eyre, 1944, 139 p. 7/6.

In addition to being an unflattering picture of the former Polish Foreign Minister and of his policy, this book is also a good review of Poland's position in Europe during the inter-war era.

NO TRAVELER RETURNS. By HENRY SHOSKES. Garden City: Doubleday, 1945, 267 p. \$2.50.

Here is the staggering story of Nazi barbarism in the Warsaw ghetto and of the final heroic revolt staged by the inhabitants.

THE BASIS OF CZECHOSLOVAK UNITY. By ALEXANDER KUNOVŠI. London: Dakers, 1944, 120 p. 5/.

An attempt to refute the idea that there is an unbridgeable gulf between the Czechs and Slovaks.

CZECHOSLOVAKIA BEFORE AND AFTER MUNICH. New York: Czech-American National Alliance, 1944, 121 p.

An illustrated summary of useful information.

EDVARD BENEŠ: IN HIS OWN WORDS. New York: Czech-American National Alliance, 1944, 136 p.

These excerpts from the writings and addresses of the Czech statesman lack references to the sources and are thus of only relative value.

HUNGARY. By TIBOR MENDE. London: Macdonald, 1944, 175 p. 5/.

Another volume in the "Cross-Roads Series," edited by Barbara Barclay Carter, reviewing the history of Hungary, with emphasis on the period since 1914. Though the author has little good to say of the landed aristocracy, he gives the usual Magyar "imperialist" interpretation of the Trianon Treaty.

WHY RUMANIA FAILED. By PAVEL PAVEL. London: Alliance Press, 1944, 282 p. 8/6.

This Rumanian writer finds that the reasons why his country joined the Axis were not so much the cowardice or corruption of its government, including King Carol, as the failure of the Allies to pursue an aggressive anti-German policy in that part of the Balkans.

GREECE. COMPILED BY KATHLEEN GIBBERD. New York: Cambridge University Press, 1944, 106 p. \$1.00.

One of the "British Survey Handbooks" covering — very summarily — the geography, history and current condition of Greece.

THE PRICE OF LIBERTY. BY MIKIA PEZAS. New York: Ives Washburn, 1945, 261 p. \$3.00.

The author fought in the Greek Army opposing the Fascist "invasion-in-reverse." This is a highly personal, partly fictionalized rendition of his experiences and psychological reactions. The concluding section deals with the débâcle and the Nazi conquest.

The British Commonwealth of Nations

REMOBILISATION FOR PEACE. BY SIR RONALD DAVISON. London: Pilot Press, 1944, 55 p. 4/6.

This slender volume is part of the series "Target for Tomorrow," edited by Sir William Beveridge and others. It is representative of the sort of thinking and planning for reconstruction now going on in Britain.

THE BRITAIN OF TOMORROW. BY MAGNUS IRVINE. London: Alliance Press, 1943, 182 p. 7/6.

The author seeks to chart the course of British behavior, at home and abroad, during the coming postwar period.

CANADA AND RUSSIA: NEIGHBORS AND FRIENDS. BY RAYMOND ARTHUR DAVIES. Toronto: Progress Books, 1944, 111 p. \$1.50.

A concise survey of Russo-Canadian relations, especially since the 1917 Revolution.

CANADA AND THE BUILDING OF PEACE. BY GRANT DEXTER. Toronto: Canadian Institute of International Affairs, 1944, 176 p. \$1.00.

Essays dealing with a variety of political and economic problems, based on discussions held under the auspices of the Institute in December 1943.

CANADA AND THE FIGHT FOR FREEDOM. BY THE RIGHT HONOURABLE W. L. MACKENZIE KING. New York: Duell, 1944, 326 p. \$3.50.

Twenty-one addresses by the Canadian Prime Minister delivered between September 1941 and June 1944, selected to illustrate his war policies, both at home and abroad.

HORIZONS D'APRÈS-GUERRE. BY JEAN-MARIE NADEAU. Montreal: Parizeau, 1944, 319 p. \$1.50.

An examination of the effects of the war on Canada's economic and political life, with suggestions for achieving greater national integration.

CANADIAN GOVERNMENT AND POLITICS. BY H. McD. CLOKIE. New York: Longmans, 1944, 351 p. \$3.50.

A systematic, objective treatise on the political history, constitutional system, parties, and federal and local administrations.

STRANGERS IN INDIA. BY PENDEREL MOON. New York: Reynal, 1945, 184 p. \$2.00.

The author is persuaded that India should receive her independence as soon as the present war ends. He does not regard Pakistan as unfeasible nor the major Indian States as without a function to fulfill in a free India. He tackles the pressing questions of the country's poverty, low production, rapid growth of population with vigor and courage, if not always with convincing success.

The Near East

ALLENBY IN EGYPT. BY FIELD-MARSHAL VISCOUNT WAVELL OF CYRENAICA AND WINCHESTER. New York: Oxford University Press, 1944, 161 p. \$2.50.

This is Volume II in the author's "Allenby: A Study in Greatness," of which Volume

I was reviewed in the July 1941 issue of *FOREIGN AFFAIRS*. The present book carries the story from late 1918 to his death in 1936. There is much interesting material on Egyptian politics and personalities during the early twenties.

CHAIM WEIZMANN. EDITED BY MEYR W. WEISGAL. New York: Dial Press, 1944, 340 p. \$3.50.

More than a score of writers extol the great contributions of the Zionist leader to political action and to science.

Africa

BLANC ET NOIR. BY HÉLÈNE J. GAGNON. Montreal: Éditions de l'Arbre, 1944, 184 p. \$1.25.

These wartime impressions of travel in Britain and Africa are most interesting where they describe conditions in some of the English and French colonies along the Guinea Coast.

MISSIONARY DOCTOR: THE STORY OF TWENTY YEARS IN AFRICA. BY MARY FLOYD CUSHMAN. New York: Harper, 1944, 279 p. \$2.75.

This unpretentious story of the author's two decades spent in Angola throws much light on that little-known country.

The Far East

SOLUTION IN ASIA. BY OWEN LATTIMORE. Boston: Little, Brown, 1945, 214 p. \$2.00.

This little book is full of wisdom and sage counsel. Few occidentals know China as well as does Mr. Lattimore, or are as willing to view its problems with as much objectivity. He finds that the age of old-fashioned economic and political imperialism by the western Powers is over, thanks to Japan, and that the coming struggle will involve political and social ideas — between those of the American and British capitalist democracies and those of Soviet Russia. This conflict, he holds, is already under way in China between the landlord-controlled Kuomintang and the progressive forces represented by the Communists. As for Japan, some of his interpretations and suggestions are original and challenging. This is definitely one of the best books of the season.

SECURITY IN THE PACIFIC. New York: Institute of Pacific Relations, 1945, 169 p. \$2.50.

A preliminary report of the Ninth Conference of the Institute of Pacific Relations, Hot Springs, Virginia, January 6–17, 1945, dealing with such matters as the future of Japan, economic and racial problems in the Pacific, the future of dependent areas and collective security.

ASIA ON THE MOVE. BY BRUNO LASKER. New York: Holt, 1945, 207 p. \$3.00.

The author has carefully assembled and fitted together the pieces in the jigsaw puzzle of Asiatic migration. He tells the story, not only of the 30 to 50 million people whom war has forced to leave their homes, but of the other millions who have had to move for economic reasons. He analyzes the results, political as well as social, of this mass movement and discusses the directions it may take in the future.

ASIA BETWEEN TWO WORLD WARS. BY J. F. NORMANO. New York: Iranian Institute and School of Asiatic Studies, 1944, 89 p. \$2.00.

This is the first volume of what was intended to be a series of proceedings of a seminar in the economic problems of the Orient conducted by the late Dr. Normano at the Iranian Institute.

CHINA AMONG THE POWERS. BY DAVID NELSON ROWE. New York: Harcourt, 1945, 205 p. \$2.00.

One of the great questions in the mind of everyone interested in international relations is whether or not China will emerge from this war as a Great Power — in cold

reality and not just "by courtesy." Dr. Rowe, Research Associate in the Yale Institute of International Studies, has pretty well erased that question mark in this comprehensive little book. The conclusion to which his analysis of China's military and economic strength — and weakness — leads is that it will be a long time before that country becomes in reality a Great Power.

CHINA AFTER SEVEN YEARS OF WAR. EDITED BY HOLLINGTON K. TONG. New York: Macmillan, 1945, 246 p. \$2.00.

Contributions on various facets of life in wartime China, by several Chinese and American journalists. The editor is Vice-Minister of Information in the Chungking Government.

REPORT FROM RED CHINA. BY HARRISON FORMAN. New York: Holt, 1945, 250 p. \$3.00.

An enterprising correspondent manages to break through the Chungking-imposed blockade against the entry of foreign correspondents into the part of China controlled by the Communist forces and comes back with this report on the fight which they have been putting up against the Japanese.

CHINA, MY CHINA. BY HAROLD B. RATTENBURY. London: Muller, 1944, 271 p. 15/.

The illuminating reminiscences of a missionary who spent a third of a century in China, where he seems to have travelled widely.

BEFORE FINAL VICTORY. BY GENERALISSIMO CHIANG KAI-SHEK. New York: Chinese News Service, 1944, 80 p. \$1.25.

Addresses by the Generalissimo during 1943 and 1944.

UNTIL THEY EAT STONES. BY RUSSELL BRINES. Philadelphia: Lippincott, 1944, 340 p. \$3.00.

Amid the welter of "first-hand" accounts of events in the Far East this book stands out as an objective, fact-laden interpretation of Japan's entire plan for conquest and domination. Mr. Brines, an American newspaperman with considerable experience in the Orient, was interned in Manila and later in Shanghai. He has much of interest to relate about the methods by which the Japanese have sought to obtain the loyalty of their newly-conquered subjects. His conclusions give little hope that it will be an easy task to undo the work of Japanese "education" among these peoples or to reform Japan herself.

WHAT TO DO WITH JAPAN. BY WILFRID FLEISHER. Garden City: Doubleday, 1945, 178 p. \$2.00.

Mr. Fleisher enters the discussion as to how we can prevent Japan from doing it all over again, say in another generation. Mr. Fleisher knows the Japanese well, and his numerous suggestions for preventive therapy are worthy of close scrutiny. One wonders, however, how thoroughly he really believes that his prescription is in the realm of the politically possible.

JAPAN: A PHYSICAL, CULTURAL AND REGIONAL GEOGRAPHY. BY GLENN THOMAS TREWARTHA. Madison: University of Wisconsin Press, 1945, 607 p. \$5.00.

This reliable and systematic treatise is the result of many years of careful and intensive study, much of it on the spot. The volume is lavishly printed and abundantly illustrated with photographs, maps, charts and tables.

MINING IN THE NETHERLANDS EAST INDIES. BY ALEX L. TER BRAAKE. New York: Institute of Pacific Relations, 1944, 110 p. 50 cents.

A factual but somewhat popular treatment, prepared for the Netherlands and Netherlands Indies Council of the Institute.

SOUTHWEST PACIFIC AND THE WAR. Berkeley: University of California Press, 1944, 168 p. \$1.50.

Six lectures delivered by members of the University of California faculty in the spring of 1943.

THE PACIFIC ISLANDS HANDBOOK 1944. BY R. W. ROBSON. New York: Macmillan, 1945, 371 p. \$4.00.

The last Australian edition of this very useful compendium of geographical, historical and other information appeared in 1942. The present volume contains new features and brings its data up to date. Several tipped-in maps are included.

Latin America

LATIN AMERICA IN THE FUTURE WORLD. BY GEORGE SOULE AND OTHERS. New York: Farrar, 1945, 372 p. \$3.50.

Three authors, writing under the direction of Dr. Alvin Hansen for the National Planning Association, deliberately set out to document the economic and social shortcomings of our southern neighbors. In this they have succeeded, though at the inevitable cost of painting a picture in which the perspective may seem out of focus.

ECONOMIC PROBLEMS OF LATIN AMERICA. EDITED BY SEYMOUR E. HARRIS. New York: McGraw-Hill, 1944, 465 p. \$4.00.

Nearly a score of American experts have contributed to this survey of the economic and financial problems of Latin America. The first half of the book deals with "general considerations," while in the second part ten of the republics are taken up individually.

GREATER GOOD NEIGHBOR POLICY. BY WADE CRAWFORD BARCLAY. Chicago: Willett, Clark, 1945, 257 p. \$2.50.

The central thesis of this out-of-the-ordinary book is that the economic and social progress of the Latin American countries can be speeded up by breaking the religious monopoly of the Catholic Church.

HANDBOOK OF LATIN AMERICAN STUDIES: 1942. EDITED BY MIRON BURGIN. Cambridge: Harvard University Press, 1943, 521 p. \$6.00.

This is No. 8 in an indispensable series covering books and articles dealing with every sort of activity in the Latin American Republics and the West Indian colonies.

A GUIDE TO THE LAW AND LEGAL LITERATURE OF CUBA, THE DOMINICAN REPUBLIC AND HAITI. BY CRAWFORD M. BISHOP AND ANYDA MARCHANT. Washington: Library of Congress, 1944, 276 p. \$1.75.

An authoritative reference work.

A PADRE VIEWS SOUTH AMERICA. BY PETER MASTEN DUNNE. Milwaukee: Bruce, 1945, 290 p. \$2.50.

A Jesuit authority on Latin American history reports on a year passed in visiting all of the South American Republics. Religious and educational matters interest him in particular.

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A eulogistic biography of the Brazilian air pioneer.

CHILE: AN ECONOMY IN TRANSITION. BY P. T. ELLSWORTH. New York: Macmillan, 1945, 183 p. \$3.00.

A keen, scholarly analysis of the economic life of Chile, particularly of those factors which may lead to social unrest. The author lived in Chile during 1941 and 1942.

THE ARGENTINE REPUBLIC. BY YSABEL F. RENNIE. New York: Macmillan, 1945, 431 p. \$4.00.

The author of this most timely volume has sought, in large part successfully, to give an objective and comprehensible interpretation of the last century of Argentine history. She treats economic and social questions as essential components of the political picture, and as a result that picture makes sense as has almost no other recent work on Argentina. There is a good selective bibliography.

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By Ruth Savord

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AN AMERICAN QUARTERLY REVIEW



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